

# DUN'S REVIEW

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*Freedom to Achieve: A Basic Element in Democracy . . . America's Part in Rehabilitating a War Sick World . . . The Trend of Business*

*My dear Son:* Yours by Mr. Marsh was duly received. I am happy to hear that you are all in good health at home and that you are getting along so well in the mill. I don't know but that you will do better without me than when I am at home. I am not disappointed, for I expected that you would do well, your interest in the business already matching mine and your skill at paper-making the equal of men many years senior to you in the craft. Keep P. & V. well supplied with such paper as they may need and try to sell them the Folio Post.

I think if I had some of the blue thick Cap, the No. 2 thick and thin, and the blue demi here that I could sell it to good advantage. Let me know how soon you could send me a load and, if I should conclude to have it sent, it could come to Worcester on a sleigh and thence by the rail-road. I will try to get some rags and send to Worcester to load the team back.

I forgot to pay my taxes before I came away. You must pay them before the second thirty days run out.

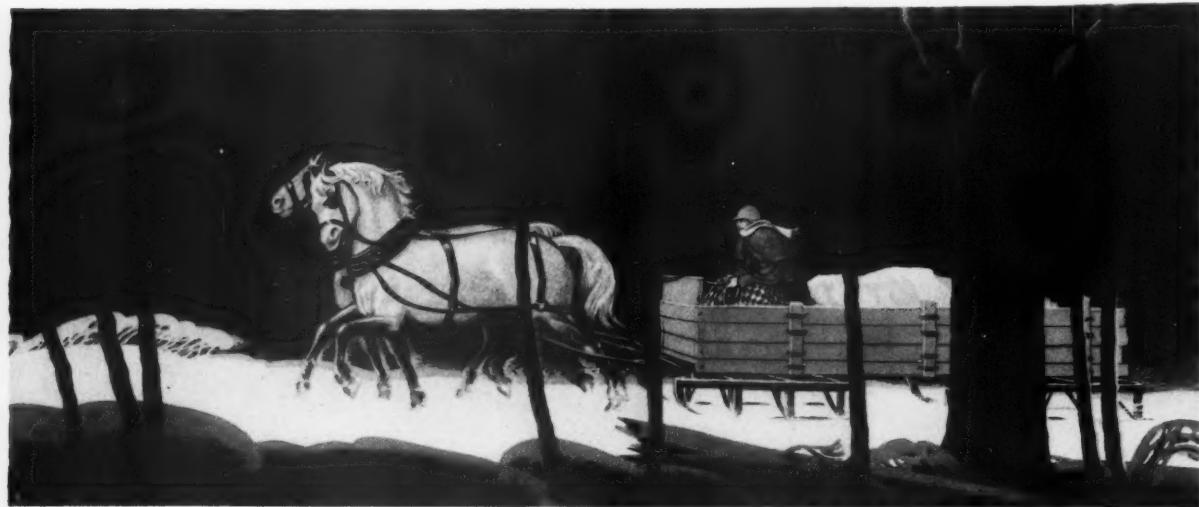
I had a letter written to send by Mr. Marsh, but was so long detained at the House the day he left that I did not see him, so this will come by the post-rider. But Dalton will be linked to Boston by the rail-road before long, if Governor Everett's proposal of a grant to aid in its westward extension is approved by the General Court.

Remember me to your brother and all the family and tell your mother that I shall probably not return under two or three weeks, if my health continues good. Take good care of the fires and make yourselves as comfortable as you can.

*Yours etc.,*

Boston, Massachusetts, 14 January 1837

ZENAS CRANE



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## The Cover

*Little Rock, capital and largest city of Arkansas, lies in the midst of an important agricultural and mining region and is a retail and wholesale trading as well as an educational center.*

*The community, on the south bank of the Arkansas River, is in an agricultural area which produces large crops of cotton, corn, alfalfa, potatoes, small grains, fruits, and vegetables. It is near two big stands of high grade timber and deposits of coal, oil and natural gas, marble, clay, flint, and other mineral resources. A large percentage of the nation's bauxite comes from mines near the city.*

*The 116 manufacturing establishments of Little Rock, in 1939, employing 3,565 wage earners, produced goods valued at \$19,358,207. Manufactures include furniture, cottonseed products, clothing, building and plumbing supplies, drugs, handles, lumber, concrete pipe, paper boxes, staves, tents, awnings, paints, caskets, and fertilizers. There also are railroad shops, a steel foundry, packing houses, coffee roasters, and oil and gas wells.*

*The Medical School of the State University is located in Little Rock as is the Arkansas Law School, Little Rock College, St. John's Theological Seminary, and Arkansas Baptist College (negro).*

*Little Rock, with a population of 88,039, had 1,370 retail stores in 1939, with sales of \$41,063,000; 631 service establishments whose receipts totalled \$4,267,000; and 243 wholesalers with sales of \$73,500,000.*

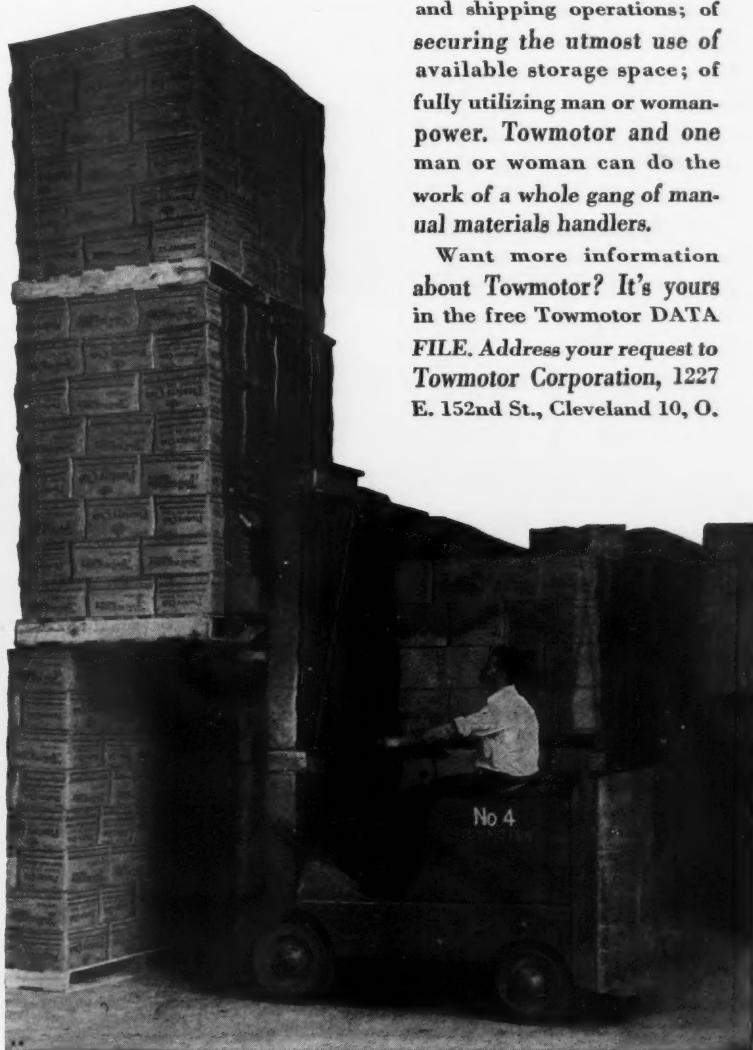
*Sieur Bernard de la Harpe, while exploring the Arkansas River in 1722, named two rocky formations on the bank of the stream "La Petite Roche" and "La Grande Roche" respectively. He established his trading post at a settlement of Quapaw Indians near the smaller rock. The seat of government was moved from Arkansas Post to Little Rock after Arkansas became a territory. The town of Little Rock was incorporated in 1831 and the city chartered in 1836.*

## WHAT'S POST-WAR PROJECT #3?

**MATERIALS HANDLING EFFICIENCY!** No matter how well post-war projects 1 and 2 (Product Development and Market Analysis) are planned, their final effectiveness will be largely determined by the plant transportation system that moves materials through the varied phases of production, storage and shipping. Production costs are closely related to the movement of materials, and progressive manufacturers, with an eye to more profitable operation, will not neglect this important phase of post-war business preparations.

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*This is one of a series of articles by leaders in various fields expressing their personal viewpoints regarding subjects of unusual interest or significance to business. It should be emphasized that the purpose of this series is to present diversified and representative opinions of men whose varied backgrounds and points of view have created decided, and often conflicting, convictions.*



MCMANIGAL PHOTOGRAPH FROM GENDREAU

## FREEDOM TO ACHIEVE *A Basic Element of Democracy*

A. L. M. WIGGINS

President, American Bankers Association  
President, Bank of Hartsville, Hartsville, S. C.

As the war increases in intensity and comes closer home to every one of us, we are thinking more and more about what we are fighting for. Ask the school child, a man on the street, or a profound student of government what we are fighting for and the answer of all would be basically the same. One might say that we were fighting to preserve our national life against aggression, another might express it as a fight in defense of liberty. Some might say that we are fighting because we were attacked. But the essence of what we feel deep down in our hearts is that we are fighting for some kind of freedom.

Within recent months, many people are becoming uneasy over just what kind of freedom we are going to have in this country after the war. We have seen so many changes in our national life within the last decade or more in the name of a new deal, some of them good and some bad, that we are beginning to wonder what kind of a deal is coming as a result of the war and during the post-war period.

Within the past decade or more, we witnessed an increased emphasis upon the responsibility of government for the welfare of the individual and decreased responsibility of the individual for his own well being. We have heard many new economic philosophies expounded and have seen many experiments undertaken. Some of them were nobly conceived and have resulted in great benefits to many people but others have become bogged down in cumbersome administrative machinery in the hands of people who did not understand the laws and regulations they were attempting to administer. Others were ill designed.

Every step in recent years has brought government more in control of the lives, the fortunes, and the destinies of the individual. Since the war came to us, government, under the exercise of war powers, has found it desirable to extend its regulations and controls until now there is little one can do legally except according to governmental dictate. Such control in wartime seems necessary in order to unify national ef-

fort and mobilize our full potentials to the one purpose of fighting and winning a war.

Our concern is that these controls which have been so vastly expanded within recent years and have become, under war necessity, almost absolute shall not become a fixed pattern for post-war peacetime.

We have found out among other things that we do not enjoy being deprived of what we have long considered to be our rights. We have also discovered that we are not quite happy at being pushed around by our own Government. I think the most important discovery we have made is that the detailed control of our social and economic life by central government simply does not work. The only reason it works as well as it does at the present time is because we are willing to submerge everything else to the immediate necessity of winning the war.

But even under the patriotic urge of supporting the war, large numbers of our people either through ignorance or design, are becoming breakers of some

of the many laws, rules, regulations, and interpretations of laws that pour out in an unending stream from a multitude of bureaus and agencies of central government. Remove the discipline of war necessity without removing some of these regulations and controls and I am afraid we would become pretty generally a law-breaking people.

The question that is disturbing many of us is to what extent the state, as represented by central government, is to become the paternalistic father of all of us and under the guise of knowing best what is good for its children will take away, permanently, many of our individual freedoms.

The time may be shorter than we think for planning for the kind of post-war America we want. A lot of planning has been going on, particularly in Washington, where no less than 23 government bureaus for a long time have been planning just what kind of economy, what kind of government and what kind of life we are to have in this country after the war. If we fail to do our own planning, we may wake up too late to discover that someone else has everything all worked out for us and that all we have to do is to follow regulation XYZ and ask no questions.

#### Sources of Freedom

I hold to the theory that every citizen of this nation has the right to figure out for himself just the sort of government he prefers, the rules and regulations he wants to live under, and just what freedoms he wants. This does not mean that he will have everything his own way. It does mean that if enough people do enough thinking along the same line, we are likely to come out with a pretty general agreement on the fundamentals. Under democratic government when a majority of people agree on plans and programs for government, then through political action they can secure about what they want.

It ought not to be any trouble for the people of this nation to reach a rather complete agreement as to their basic desires for freedom. Freedom has always been an aspiration of mankind. Historically, freedom has been the foremost goal of civilization. History records a continuous struggle of man to survive as an individual. His enemies have been both his fellowmen and organized society, which we know as government. The Christian era



MONKMEYER PHOTOGRAPH

*"Freedom to achieve is a basic universal right under the democratic concept that extends from the bottom to the top in the social and economic order."*

marked the beginning of the democratic concept of the dignity of the individual and of personal liberty as a revolutionary force in human society.

The Christian concept substituted moral force for physical power; it established the rights of the individual as a member of society. At the same time, it recognized the obligations of the individual to Caesar, the state. It stimulated the plan of human relationship generally known as democracy. Fifteen centuries later, a new era in democracy began with the discovery of a new world. It was a new world, not only of geography, but of spirit. It attracted men of many nationalities and beliefs, but in all of whom burned the spirit of freedom.

This new experiment in human relationships prospered beyond the dreams of men. Freedom took on a new meaning. It released the springs of individual initiative and generated a material prosperity such as the world had never known. We, who are here today, are the custodians of that freedom through inheritance. As children of a rich ancestry, our own contribution to our present good fortune is the accident of birth. We accept freedom as

casually as the air we breathe. Although it is the product of democratic government, we complain of the imperfections of democracy and belittle its methods. Some even ask: "What price democracy?"

We seem to be blind to the fact that freedom is a product of democracy and that there can be but little of one without the other. Can there be any doubt that the peril of one imperils the other? Surely, there can be no democracy if freedom perishes.

Have we come to look on freedom and liberty as but empty words of an old tradition; are individual rights under democracy no longer worth living for, worth fighting for, worth dying for? Do we not realize that unless we can match the zeal of free men against the fanaticism of the utopians, freedom may be lost for us who are the final custodians of the liberties of free people everywhere?

Our trouble seems to be that while we can agree on our desires for freedom, in the abstract, we fail to agree on the definition of freedom or the application of freedom to our daily lives. Freedom has come to have many meanings to many people.

Generally, it has meant the guarantee of a social and economic environment in which the individual is protected from the strong and the powerful and is given an opportunity to express himself and make for himself a place in the sun. To some, freedom now seems to mean the complete absence of restraint, a license to the individual to do whatever may please his fancy without regard to the rights of others and without recognition of any limitations imposed upon him as a citizen of a democracy. To others, freedom apparently means the guarantee by government of a comfortable living and freedom from social and economic unhappiness regardless of one's own efforts.

We should, therefore, ask ourselves what kind of freedoms we have had and what kind we want, and we should search our souls to discover an answer to the question of freedom *for whom*.

The trouble with most of the discussions of freedom these days is that they are neither frank nor disinterested. Some of the most ardent champions of freedom are unwilling to admit the many failures of our private enterprise system to afford freedom for large numbers of people. On the other hand, there are those zealots who profess to see in state control and regimentation a correction of all the evils in the private enterprise system and believe that the less freedom others have, the greater freedom they themselves will acquire.

To clear the atmosphere for straight

thinking, we should admit that there are and have been defects in our private enterprise system under which many people have not had the opportunity and freedom to achieve to which their ability and energy entitled them. On the other hand, we should also recognize that under our private enterprise system there have been greater accomplishments and more freedom to achieve and greater opportunities for a larger proportion of all the people than under any other system of government or enterprise in the history of the world.

#### Which Freedom Comes First?

We should also recognize that there are areas in which government, in the interest of all, should act as umpire and make laws and regulations that will guarantee fair play within the private enterprise system and protect the public and the worker and the owner of capital against exploitation. At the other extreme, we should recognize that a managed economy in the hands of a super-state will destroy economic freedom for all.

In thinking about the kind of freedom we want, there first comes to our mind the freedom of speech and expression. We know, however, that there can be no freedom of expression to a man who is wholly dependent upon the individuals or agencies or government which he desires to criticize. We think we have freedom of worship, but it is evident that there can be no freedom to worship for men who come

to the altar knowing that their souls are in bondage to others or to an all powerful state.

We desire freedom from want and it is a noble aspiration that all men everywhere should be freed from want. We realize that it has never been achieved for large numbers of our own people. But we know equally well that it is not within the power of any government to guarantee and to provide freedom from want for everybody. For the most part, it must be acquired by the individual himself, through conscious effort and through sacrifice. It is the duty of government, however, to provide a social and economic environment which makes it possible for the individual to acquire freedom from want.

All of us want freedom from fear. Government, through sound social programs, can help the individual economically make provisions that will eliminate some of his fears but even there, the individual must largely acquire it for himself. Our greatest fears are not financial and no government handout can purchase freedom from fear for the man who is afraid of himself, afraid to venture, afraid to face the future, afraid to trust himself.

Basic among all the freedoms we want for ourselves and our children is the freedom of opportunity, the freedom to achieve. In most cases, this one freedom will fill our economic needs and wants and banish many of our

(Continued on page 22)



VOTERS, NEW YORK CITY—GENDREAU PHOTOGRAPH

"Under democratic government when a majority of people agree on plans and programs for government, then through political action they can secure about what they want."

# *America's Part in Rehabilitating*

## A WAR SICK WORLD

ELLEN S. WOODWARD

*Member, Social Security Board*



BOMBED AND SHELLIED ITALIAN VILLAGE—ACME PHOTOGRAPH

WHEN representatives of 44 nations met in the East Room of the White House on November 9 and signed the agreement which brought into being the United Nations Relief and Rehabilitation Administration, millions of men and women the world over recognized in that act an event of profound significance. Clearly and obviously UNRRA is the first practical step towards the establishment of that secure and stable post-war world for which the masses of common men everywhere are yearning and upon which alone permanent prosperity can be built.

With the first meeting of the Council of the United Nations Relief and Rehabilitation Administration, in Atlantic City in November, concluded, UNRRA is definitely geared for action. The

basic policies and principles of the organization have been laid down. They constitute a sound working basis and a practicable program for helping the overwhelmed peoples of Europe and Asia overcome the disaster into which total war has plunged them. The contributions of Congress and those of the constitutional bodies of others of the United Nations will provide the means for implementing the program.

The reports presented at the UNRRA conference by Sir Frederick Leith-Ross of the Inter-Allied Committee for Post-War Requirements, by Surgeon General Thomas Parran, and by various delegates to the Council meeting painted a stern and challenging picture of the hunger, disease, and destitution in which much of Europe and Asia are sunk today. Never before has the Old

World been in such a plight. In comparison of extent and depth of suffering and destruction, the last war was a minor World War. Then many of the countries of Europe were not involved, they could not only meet their own basic needs but could help their neighbors; today, practically all of Europe has been overrun and laid waste, including a vast territory in Russia. This time the Orient is involved on a huge scale. This war, which has nearly submerged a third of the earth's population, is a major World War, and from its effects Europe and Asia cannot recover without help.

Consider what hunger has done. The enemy has systematically used it as a weapon throughout the war to break down the will to resist, his planned purpose being to leave in the occupied countries, as President Roosevelt put it, "only a generation of half-men—undernourished, crushed in body and spirit, without strength or incentive to hope—ready, in fact, to be enslaved and used as beasts of burden." In normal times the people of Belgium consumed daily 2,700 to 2,800 calories per person. Throughout the war they have received far less than the 2,000 calories that constitute a bare subsistence minimum; officially 1,200 to 1,300 calories at the utmost has been their portion.

Similarly, Yugoslavia's consumption before the war was 2,600 calories daily: today in the cities the official ration is 800, and in the villages not much more. In Polish towns the daily food ration is also 800 calories a day, for the Jews half of that. Greece has endured prolonged starvation. Vast sections of her population suffer in consequence from a whole series of deficiency diseases. The children, of course, as everywhere, are most heavily struck, and a large proportion of them, at least in urban centers and areas which do not produce food, are at present no more than human wrecks. Nursing and expectant mothers form another special

group of sufferers, so much so that in many countries a second pregnancy is considered tantamount to suicide.

The figures on disease are dismaying. Undernourishment has done its work so effectively that tuberculosis is everywhere alarmingly on the increase. In France it has become a public danger. There the number of deaths due to this disease has risen 50 per cent since pre-war days, and it can almost be said that of two Frenchmen who die between the ages of 20 and 40 one is struck down by tuberculosis. In central Poland alone there are 90,000 known cases of typhus. In Greece malaria, which was one of the chief scourges even before the war, when it necessitated the free distribution of 30 to 40 tons of quinine annually, has now, owing to malnutrition and lack of drugs, reached appalling proportions.

Then there is the question of displaced populations. In Europe the enemy has willfully wrought upheaval and confusion. Between 20 and 30 million persons in Europe alone either have been forced to flee their home

area or have been forcefully removed. Whole populations have been uprooted and, under conditions to which cattle have not been subjected, have been shipped from end to end of Europe in accordance with the military, political, economic, or racial objectives of the Third Reich. Millions have been sent to forced labor in Germany or shifted from place to place for forced labor within their own country. Millions have been removed to make room for German settlers.

#### Extent of the Upheaval

In Poland 8,600,000 citizens have been displaced from their homes. In Yugoslavia approximately 1,400,000 men, women, and children have been displaced, among them 400,000 children who were left homeless because their parents were killed or forcefully separated from them. These children have no shelter and are wandering about the country, living on charity from day to day. From Russia millions of civilians have been dragged away to slave labor in Germany, so that today when the Red Army retakes its once populous

cities only a handful of decrepit people are there to welcome them. The Nazis from month to month have "recruited" ever new categories of the Russian population and in certain areas, especially during their retreat, have carried away with them absolutely every person capable of walking.

In all these operations it has been the enemy's policy to work as much confusion as possible. Families have been purposely broken, wives purposely separated from husbands, children purposely torn from the arms of their parents. This cruel problem of displacement, robbing nations of labor power, robbing individuals of home and family and native land, takes its place beside the other cruel problems of hunger and disease. As soon as war is over, however, displacement will assume a new and threatening phase. With the defeat of the enemy the displaced millions will start trekking home, and, as Surgeon General Parrott has strongly pointed out, then will present a threat of world-wide pestilence. Disease knows no political boundaries.

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#### Displaced Populations of Europe (not including prisoners of war)

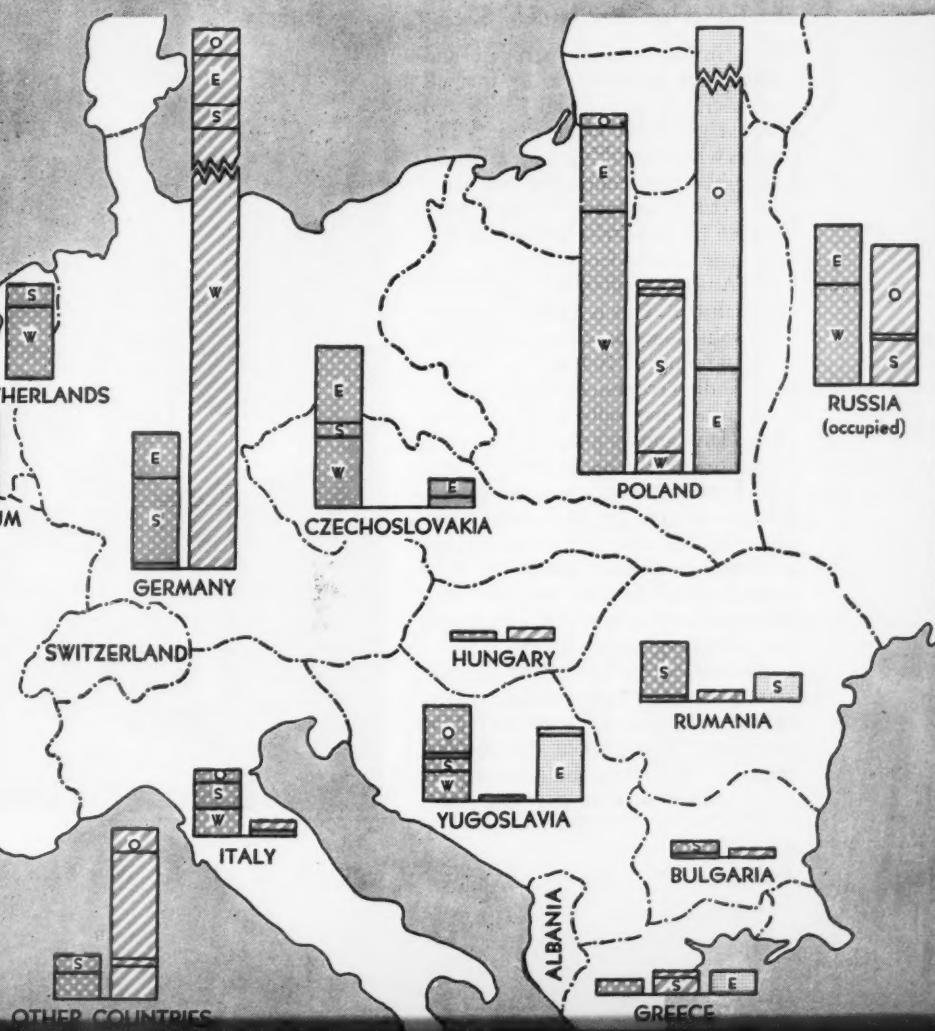
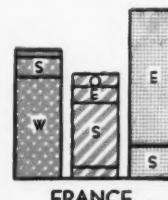
Foreign Economic Administration; Reoccupation Division

(Inter-Allied Post-War Requirements Bureau Estimates)

Population in hundreds of thousands  
Displaced Total

	MOVED OUT	MOVED IN	MOVED WITHIN COUNTRY	Total
BELGIUM	7.6	80.9		
BULGARIA	2.1	60.8		
CZECHOSLOVAKIA	12.8	147.3		
FRANCE	31.9	419.1		
GERMANY	74.3	860.3		
GREECE	3.9	73.4		
HUNGARY	1.1	136.4		
ITALY	6.1	424.5		
NETHERLANDS	6.8	79.4		
OTHER COUNTRIES	17.1			
POLAND	96.0	321.1		
RUMANIA	7.4	180.5		
RUSSIA	23.8	800.0		
SPAIN	1.8	262.2		
YUGOSLAVIA	12.8	139.3		

SCALE  
MILLIONS OF PEOPLE



Keeping pace with the human breakdown in the occupied countries is the destruction of property. Agriculture has greatly deteriorated owing to the loss of manpower, lack of fertilizer, and the rapid disappearance of draft animals. Industry has largely been converted to the enemy's uses, where it has not been ruined altogether. Yet this situation is nothing to what will most probably face the peoples in the liberated countries when they come into their inheritance. The enemy in his retreat, if the future is to be judged by the present, will scorch the earth he cannot possess. Railways, highways, bridges, port facilities, telephone and telegraph communications all may be shattered.

Factories may be blown up, mines flooded, hospitals gutted, schools and public buildings ripped apart. All the public services, especially the most important—such as water, sewage, light and power—may be disrupted. All vehicles either will have been carried off or destroyed. The liberated people, weakened by starvation, disease, and mental suffering are thus most likely to take over in a situation of overwhelming general breakdown and paralysis.

#### Effect of Aid on U. S.

It is in our common struggle and towards our ultimate victory that all these sacrifices in life and health and material goods are being made. The peoples who are making these sacrifices do so without repining. But they justly expect that other nations which have not been hit so heavily by the war will help them recover from disaster.

We Americans often have been called materialistic. This is a facile and shallow evaluation, based on a superficial understanding of America in the era of expanding economy when our minds were turned naturally to the conquest of this land and its great resources. It is not primarily for reasons of self-seeking that America is going to help Europe and Asia get back on their feet, but rather for reasons of humanity, justice, and the common good. Yet, if we were inclined to seek personal ends alone, self-interest would dictate exactly the same program of action.

Already, while the decisive blows of this war are yet preparing, Americans in all walks of life are asking the question: "What about the post-war period? Will there be prosperity or

(Continued on page 34)

#### The Financing of UNRRA:

One basis proposed for financing UNRRA is 1 per cent of national income. Participating countries' recent national incomes are estimated at some \$230 billion; the sum aimed at would thus be some \$2 or \$2½ billion. The U. S. share would be about \$1½ billion. Administrative expenses for 1944 are set at \$10 million with the U. S. paying 40 per cent, the United Kingdom 15 per cent, Russia 15 per cent, China 5 per cent, others the rest.

The funds will be distributed upon the basis of need and not upon ability to pay. The UNRRA has received estimates of the needs of the eight occupied European countries for the first six months. It is expected that Europe will be able to supply 50 per cent of the total requirements if all of these countries are liberated within a short span of time. Thus the shipping requirements from non-European countries would be only 25,887,000 tons, costing between \$1,000,000,000 and \$1,500,000,000. About one-tenth of one per cent of foodstuffs would come from inside Europe.—Summarized by the editors from published data.

#### About the Author:

Mrs. WOODWARD was a member of the United States delegation to the first session of the UNRRA Council and is U. S. member of the UNRRA Standing Technical Committee on Welfare. In Mississippi and nationally she has borne heavy governmental responsibilities, since 1938 has been a member of the Social Security Board.

REFUGEES IN PARIS—ACME PHOTOGRAPH



# THE TREND OF BUSINESS

**SUMMARY:** Industrial activity is well maintained with per capita output steadily rising. Greater expansion of manufacturing and trade activity is occurring in inland regions. Consumer demands for soft goods sustain a high retail volume. Stock market revival lifted prices and volume to a new 1944 peak.

THE increasing demands for war goods keeps manufacturing totals at a substantially high level, despite the decreasing civilian goods volume. Although recent reports on industrial activity have varied, production is generally well sustained with only slight ups or downs from previous high levels.

Following the drop in December from the peak level of 247 in October and November 1943, the seasonally-adjusted industrial production index in January, as measured by the Federal Reserve Board (1935-1939 = 100), increased 1 point to 242. Final production totals for February indicate a monthly gain of 1 point bringing the index to 243, 5 per cent above last February and more than double the 1940 level. Per capita output of most industrial plants has risen appreciably—40 to 45 per cent in some instances—during the past four years and is continuing upward.

Because of the particularly extensive demand for war steel, including steel for landing barges, shipbuilding, and refineries, supplies of sheets and plates

are becoming increasingly tighter as deliveries are extended. Steel ingot output continued upward in early March after a February production of 7,188,482 tons, a record high for that month. February weekly output averaged 1,736,348 tons as against 1,714,493 tons weekly in January and 1,705,934 tons in February 1943.

The rise in output of artillery ammunition has increased the need for copper, resulting in some withdrawals from copper stockpiles. Although copper deliveries were up in February, stocks were down to a new low of 36,489 tons at the end of the month.

Reflecting the divergent characteristics of the war program, emphasis is now placed on filling specific needs rather than meeting over-all quantity demands. The landing barge and airplane programs are receiving preference. Plane output in February was at the rate of 350 a day, an increase of 3 per cent over 339 the previous month. In the short month of February 8,760 aircraft were produced, in number slightly below the January output but

in weight some 4 per cent higher.

The greater demand for lumber for military boxing and crating purposes has taken a heavy toll of lumber production and has resulted in large reductions in stockpiles. Lumber stocks are at a new low with the amount of lumber in use for shipping purposes about three times what it was in 1941. Government demands continue to absorb the already tight cotton supplies. Cotton output is about 2,000,000,000 yards below the peak production period in mid-1942. Practically 100 per cent of combed yarn facilities are devoted to fill military needs.

**Employment**—Despite the increase in the productive capacity of many manufacturing plants and in cutbacks, labor stringencies still exist. Production shifts have resulted in increased manpower difficulties; in some areas layoffs have left a surplus of employees with insufficient work to do while in other localities plants lack help. There has been generally a tendency of employment to level off along coastal areas

Industrial Production

	1941	1942	1943	1944
January	143	181	227	242
February	147	183	232	243
March	152	186	235	
April	159	190	237	
May	160	191	238	
June	164	193	236	
July	167	197	240	
August	169	204	242	
September	172	215	247	
October	174	220	247	
November	174	223	247	
December	176	223	241	

Employment

	1941	1942	1943	1944
January	45.3	49.7	51.8	50.4
February	45.7	50.2	51.7	50.3
March	45.8	50.9	51.7	
April	46.8	51.4	51.8	
May	48.5	53.7	53.9	
June	50.9	54.9	54.6	
July	51.0	54.8	54.2	
August	51.0	53.7	52.8	
September	50.3	52.7	52.8	
October	50.2	52.4	52.1	
November	50.3	53.5	51.7	
December	51.0	53.1	51.0	

Business Inventories

	1941	1942	1943	1944
January	21.49	27.56	27.78	27.58
February	21.64	27.78	27.54	27 *
March	22.14	28.32	27.54	
April	22.24	28.32	27.54	
May	22.46	29.15	27.51	
June	22.46	29.37	27.03	
July	23.99	29.23	27.12	
August	24.44	29.10	27.58	
September	25.06	29.03	27.81	
October	24.93	28.85	27.08	
November	26.73	28.73	28.14	
December	27.08	28.03	27.32	

Retail Sales

	1941	1942	1943	1944
January	133.1	153.2	159.4	178.7
February	137.1	148.3	170.2	174.9
March	133.9	147.6	159.2	
April	137.0	145.4	155.3	
May	137.0	145.4	155.3	
June	144.4	141.5	163.0	
July	145.6	162.9		
August	155.0	169.3	167.7	
September	147.8	150.9	162.7	
October	141.6	154.3	167.3	
November	149.0	158.2	175.5	
December	152.1	153.9	171.1	

Wholesale Commodity Prices

	1941	1942	1943	1944
January	96.8	96.0	101.9	103.3
February	86.6	96.7	102.5	103.5*
March	86.5	97.6	103.4	
April	83.2	98.7		
May	89.9	99.0	104.7	
June	87.1	98.6	103.8	
July	87.0	98.7	103.2	
August	90.3	99.2	103.1	
September	91.8	99.6	103.1	
October	92.4	100.0	103.0	
November	92.5	100.3	102.9	
December	93.6	101.0	103.1	

Industrial Stock Prices

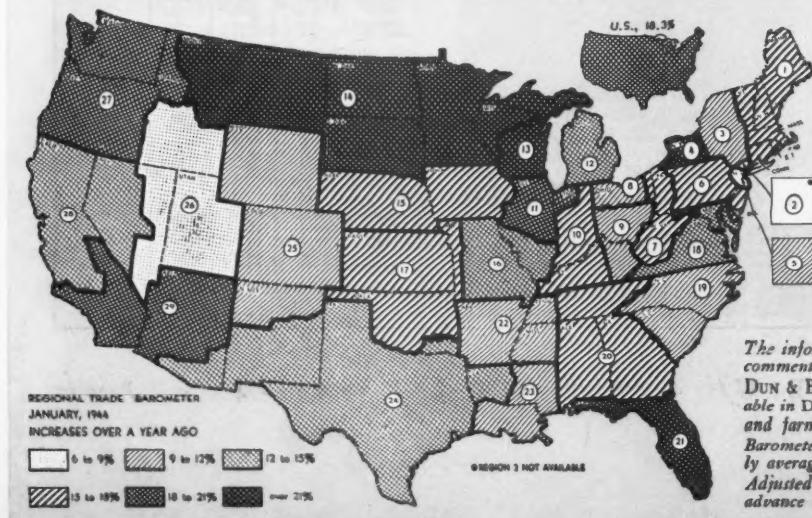
	1941	1942	1943	1944
January	130.17	111.11	121.52	132.74
February	121.68	107.28	127.49	133.97
March	122.52	101.62	131.15	
April	119.10	97.79	121.45	
May	116.42	98.42	138.60	
June	127.57	103.75	141.25	
July	127.57	106.64	142.40	
August	127.57	107.41	139.14	
September	127.35	107.41	138.90	
October	121.18	113.51	138.25	
November	116.91	115.31	132.66	
December	110.87	117.16	134.52	

\* Approximation. Figure from quoted source not available.

# REGIONAL TRADE REPORTS

Barometers compiled under supervision of Dr. L. D. H. Weld

	Change from Dec. '43	Change from Jan. '43	HIGHLIGHTS OF TRADE ACTIVITY
Jan.	%	%	
<b>UNITED STATES</b>			
161.1	+ 6.5	+18.8	Monthly barometer exceeded December level and approximated November peak. Range of monthly variances greater than in past months.
<b>1. NEW ENGLAND</b>			Employment and payrolls about even with 1943; Rhode Island off slightly. Mild let-up in shoe output; wool activity at capacity.
126.4	+ 5.6	+16.8	
<b>2. NEW YORK CITY</b>			Seasonal drop in retail and wholesale employment. Retail activity registered some declines from 1943; wholesale markets quiet, as heavy Summer ordering completed. Hotel sales increases over 1943 narrowed.
Index is not available.			
<b>3. ALBANY, UTICA, SYRACUSE</b>			Wholesale trade about 3% below 1943 in Albany. Factory employment off in month; retail employment and payrolls also declined. Retail trade well over 1943 in Syracuse, Albany; little change in Utica.
149.3	+ 6.9	+10.0	
<b>4. BUFFALO, ROCHESTER</b>			Industrial employment gains narrowed; Buffalo and Rochester now about even with 1943. Retail trade activity continues high. Better than average increases realized in yearly and monthly barometer readings.
145.4	+ 7.9	+21.8	
<b>5. NORTHERN NEW JERSEY</b>			Favorable monthly barometer increase, yearly rise low. Employment off from 1943 period; payrolls gained slightly. Labor shortage still exists in shipbuilding centers. Wholesale activity off from 1943.
126.1	+ 9.3	+11.3	
<b>6. PHILADELPHIA</b>			Monthly barometer increase above average for first time in four months. Employment slightly below a year ago, payroll gains in all districts.
134.8	+ 7.1	+17.0	
<b>7. PITTSBURGH</b>			Steel mills average 100% of capacity. Erie employment off slightly from 1943, Pittsburgh up 4%; payrolls well over 1943.
148.2	+ 7.1	+15.1	
<b>8. CLEVELAND</b>			Barometer monthly gain exceeds country average for first time in three months. Cleveland employment steady with last year; gains noted in Akron and Toledo. Retail and wholesale trade above a year ago.
171.6	+12.2	+11.1	
<b>9. CINCINNATI, COLUMBUS</b>			Industrial employment up slightly in Columbus, about 15% in Cincinnati. Seasonal decline in Columbus business activity, but lead over 1943 maintained. Wholesale trade in Cincinnati above 1943.
180.7	+12.7	+11.7	
<b>10. INDIANAPOLIS, LOUISVILLE</b>			Yearly barometer increase below average for first time since last July. Increases in employment over 1943, narrowed in Evansville, Fort Wayne, Indianapolis, Louisville. Payrolls well above last year.
202.8	+ 8.2	+16.0	
<b>11. CHICAGO</b>			Moderate employment gains over 1943 in South Bend and Chicago; payrolls similarly higher. Manpower shortage in Chicago reported serious.
145.5	+ 4.2	+18.9	
<b>12. DETROIT</b>			Largest monthly barometer increase in country. Easing of labor shortage reported in Detroit area. Michigan industrial employment 8% over last year, payrolls up 12%. Wholesale activity above 1943.
190.1	+22.9	+14.2	
<b>13. MILWAUKEE</b>			Employment in manufacturing industries 4% over 1943, off in retail and wholesale concerns. Good payroll gains maintained over 1943. Logging in northern counties reported booming.
206.6	+ 8.7	+26.7	
<b>14. MINNEAPOLIS, ST. PAUL</b>			Yearly barometer increase third highest in country; monthly gain low. Most Winter crops adversely affected by drought. Minneapolis-St. Paul area registered fair gains in employment over last year.
177.5	+ 8.1	+25.1	
<b>15. IOWA, NEBRASKA</b>			Livestock receipts above 1943 in Sioux City; grain shipments off. Omaha industrial employment above last year, Des Moines off slightly. Large alcohol plant opened in Omaha. Retail activity excellent.
151.2	+12.7	+17.9	
<b>16. ST. LOUIS</b>			Corn crop prospects up with good weather. Employment 7% above last year in St. Louis. Food manufacturing activity up in Belleville.
147.0	+ 1.9	+14.8	
<b>17. KANSAS CITY</b>			Unusually heavy marketing of livestock raises farm income in district. Meat packing activity gained notably in St. Joseph.
191.9	+ 9.3	+15.1	
<b>18. MARYLAND, VIRGINIA</b>			Yearly barometer comparison consistently below average. Tobacco season good with returns high. Maryland payrolls about 7% over 1943. Norfolk housing and government construction work slackening.
189.1	+ 5.7	+14.1	
<b>19. NORTH, SOUTH CAROLINA</b>			Crop prospects better as Fall drought relieved. Employment and payrolls up fractionally; increased payrolls in lumber trade noted. Cotton mills running at capacity. Retail volume good.
219.2	+ 8.8	+10.8	
<b>20. ATLANTA, BIRMINGHAM</b>			Barometer annual gain below average for first time since April 1942. Industrial employment even with 1943 in Nashville, down in Birmingham and Chattanooga. Georgia peanut crop prospects up from 1943.
229.5	- 2.6	+16.0	
<b>21. FLORIDA</b>			Successful tourist trade in Miami. Citrus and vegetable shipments steady; prices good. Midseason orange crop about 20% above 1943.
249.3	+ 0.4	+31.3	
<b>22. MEMPHIS</b>			General farm yield less than last year. Memphis industrial employment 16% over 1943. Arkansas employment off in month.
188.3	- 2.6	+11.6	
<b>23. NEW ORLEANS</b>			One of poorest monthly barometer comparisons recorded. Louisiana orange crop about 24% below 1943. Acute labor needs in Pascagoula.
178.3	- 4.1	+11.2	
<b>24. TEXAS</b>			Industrial employment exceptionally high in Fort Worth, Dallas, Houston; Texas payrolls average 20% greater than 1943. Heavy frost reduced some crops by 40-50%; citrus fruit trees unharmed.
224.8	+ 6.8	+12.9	
<b>25. DENVER</b>			Denver employment about 24% below last year. Ground conditions good in Colorado; drought persists in parts of Wyoming.
181.9	+ 8.0	+ 9.8	
<b>26. SALT LAKE CITY</b>			Closing of arms plant provided relief to tight labor supply in Salt Lake City. New plant in Provo area boosts employment.
184.8	- 7.9	+ 7.7	
<b>27. PORTLAND, SEATTLE</b>			More men reported going into logging activity. Labor stringencies in shipyards have eased. Industrial employment about 15% over 1943 in Portland, 14% in Spokane, Seattle 3%.
218.0	+ 9.3	+18.3	
<b>28. SAN FRANCISCO</b>			Industrial employment about 5% over 1943 in San Francisco Bay area. Planting of flax in Fresno County completed; conditions good.
165.9	+ 1.2	+13.2	
<b>29. LOS ANGELES</b>			Employment gains over 1943 still registered in major California cities; Arizona mine employment levelling off. Orange crop about 32% over 1943. California crude oil output about 5% over 1943.
166.4	+ 5.5	+20.6	



with relatively larger year-to-year increases now reported in inland districts.

Although labor turnover has diminished appreciably in recent months, it is still high; the quit rate for every month in 1943 was higher than that in 1942, according to the War Manpower Commission. Women workers have been most affected by early cutbacks in some war industries, with one-and-a-half times as many women being laid off as men.

**Income**—Following generally the production pattern of our economy, industrial payrolls are levelling off from the all-time November high. Payrolls dropped fractionally in January, the second monthly decline, but they were 12 per cent above the similar 1943 month. Per capita income is approximately 75 per cent above what it was in January 1939.

Although January income payments to individuals totalling \$12,542,000 were 7 per cent below December, they were 16 per cent above the comparable period of last year. The month-to-month drop reflected the usual December to January declines in farm income and dividend and interest disbursements. The seasonally-adjusted U. S. Department of Commerce index (1935-1939 = 100) increased to 227.5 in January from 224.8 a month earlier, due in part to the rise in military income and in payments to dependents of military personnel.

**War Contract Awards**—A relatively greater expansion in manufacturing and trade activity has occurred during the past few months in the country's interior regions, while operations in coastal areas have remained fairly even. The increase in the volume of war supply and facility contract awards in central industrial areas has been one of the underlying factors. The December to January gain in the cumulative totals (a fairly sound guide) ranged from 5 to 32 per cent as follows: Baltimore 5 per cent, Dallas and Flint 10 per cent, St. Louis 22 per cent, and Denver 32 per cent. In the industrial areas Birmingham, Mobile, Cleveland, Chicago, Milwaukee, and San Diego small decreases occurred.

Total contracts awarded from June 1940 through January 1944 were valued at \$182,668,344,000, with a rise of \$4,608,608,000 during January.

The information on regional trade activity is based upon comments of business men, gathered and weighed by local DUN & BRADSTREET offices. More detailed data are available in DUN'S STATISTICAL REVIEW. Payroll, employment, and farm income figures are from Government sources. Barometers used are adjusted for seasonal variation; monthly average for the years 1928-1932 inclusive equals 100. Adjusted and unadjusted barometers may be obtained in advance of publication by arrangements with the editors.

**Trade**—Retail volume was well maintained at a high level during February and early March. Although volume fell a little—approximately 2 to 5 per cent—under the abnormally hectic period of last year, it was about one-tenth higher than the 1942 level. Incomplete lines—especially cotton and metal products—helped to hold down volume to some extent. Retailers are operating on a more cautious basis, with sales volume of apparel lines dropping off from 5 to 10 per cent from last year's level. While ready-to-wear lines are moderately active, women's apparel stores are registering larger percentage declines than department stores. Increases were recorded for some soft goods, especially furs and cosmetics, while declines centered in durable goods lines where merchandise shortages exist.

Increased volume of sales of nondurables has resulted in some withdrawals on existing stocks. In all lines department store stocks at the end of January were about 4 per cent below the similar 1943 period; inventories of all retailers declined 10 per cent but were 15 per cent above the comparable 1939 level.

**Prices**—The substantial increases in some market prices in February and early March pushed the wholesale commodity price curve upward after it remained relatively flat for seven months. The most dramatic jump in the weekly index of the United States Bureau of Labor Statistics of 900 commodities

#### WHOLESALE FOOD PRICE INDEX

The index is the sum of the wholesale price per pound of 31 commodities in general use:

1944	1943	1944
Mar. 21. \$4.04	Mar. 23. \$4.11	High 4.04 Mar. 21
Mar. 14. 4.03	Mar. 16. 4.09	Low 3.99 Jan. 4
Mar. 7. 4.03	Mar. 9. 4.09	1943
Feb. 29. 4.02	Mar. 2. 4.07	High 4.12 May 18
Feb. 22. 4.03	Feb. 23. 4.06	Low 4.00 Dec. 21

#### DAILY WHOLESALE PRICE INDEX

The index is prepared from spot closing prices of 30 basic commodities. (1930-1932 = 100).

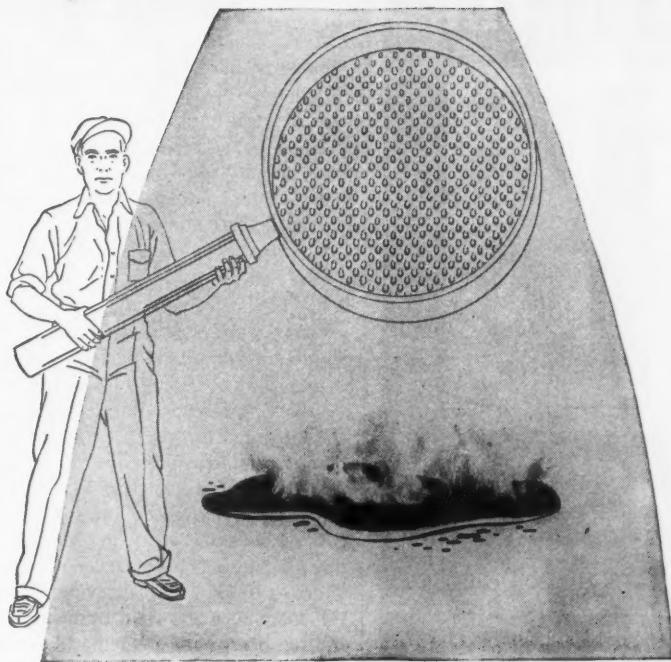
Week Ending:	Mon.	Tues.	Wed.	Thurs.	Fri.	Sat.
Mar. 25..	173.12	173.05	172.96	173.07	173.11	173.08
Mar. 18..	172.91	172.64	172.85	172.97	172.90	.....
Mar. 11..	172.25	172.49	172.58	172.63	172.70	172.74
Mar. 4..	172.27	172.08	172.20	172.29	172.09	172.23
Feb. 26..	172.37	Holid'y	172.39	172.49	172.48	172.41

1944	1943	1942
High 173.12 Mar. 20	173.30 Oct. 15	166.02 Dec. 30
Low 170.77 Jan. 4	166.61 Jan. 2	151.54 Jan. 2

#### BUILDING PERMIT VALUES—215 CITIES

Geographical Divisions:	February		% Change
	1944	1943	
New England.....	\$1,323,628	\$1,165,403	- 9.7
Middle Atlantic.....	5,478,189	5,439,130	+42.0
South Atlantic.....	2,468,829	2,242,260	+10.1
East Central.....	10,028,977	6,768,765	+48.2
South Central.....	3,224,108	3,446,889	- 6.5
West Central.....	1,652,595	1,453,520	+13.7
Mountain.....	1,065,386	176,157	+504.8
Pacific.....	14,998,406	3,644,699	+311.5
Total U. S. ....	\$40,240,118	\$28,636,836	+ 40.5
New York City....	\$3,231,420	\$5,356,669	- 39.7
Outside N. Y. C....	\$37,008,698	\$23,279,867	+ 59.0

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occurred in the last week in February when it reached 103.6 per cent of the 1926 average. The index for February was estimated at 103.5, 1 per cent above February 1943 and 28 per cent higher than the comparable period in 1941. The most marked increases in prices during early March were in livestock, some fruits and vegetables, wheat, and cottons. Prices of industrial commodities remained generally steady.

The cost of living in February continued downward for the second consecutive month to 123.7, as measured by the United States Bureau of Labor Statistics index (1935-1939 = 100). The February index was 0.3 per cent below January, which stood at 124.1, and was 2 per cent above the 121.0 of February 1943.

**Finance**—Total bank credit by the middle of March had expanded only slightly above what it was in the middle of the previous month, an expansion confined mostly to earning assets. Commercial loans, totalling \$6,396,000,000 for the second week of March, were \$369,000,000 above the comparable period of last year when loans were declining, but were \$50,000,000 below a month earlier. The draw on V and VT loans was absorbed by liquidation of other borrowings. Demand deposits (adjusted) continue to move upward amounting to \$33,441,000,000 in the second week of March, \$1,056,000,000 over the same period in 1943 and \$1,932,000,000 over a month earlier. War expenditures in February totalled \$7,518,000,000, with a record daily rate of \$259,000,000 for the 29-day month. The February figure was only 0.3 per cent below the November peak.

Trading in stocks during February was the lowest since October 1943; vol-

### BANK CLEARINGS—INDIVIDUAL CITIES (Thousands of dollars)

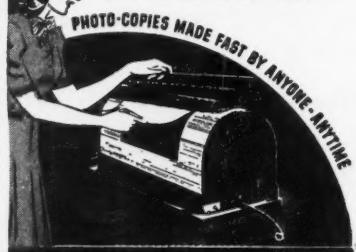
	February	1943	% Change
Boston .....	1,451,175	1,250,743	+16.0
Philadelphia .....	2,542,000	2,262,000	+12.4
Buffalo .....	270,924	213,337	+27.0
Pittsburgh .....	1,037,599	867,116	+15.7
Cleveland .....	842,231	707,236	+19.1
Cincinnati .....	454,039	390,668	+16.5
Baltimore .....	605,561	524,638	+15.4
Richmond .....	300,083	261,821	+15.1
Atlanta .....	599,808	457,800	+31.0
New Orleans .....	404,978	295,777	+36.9
Chicago .....	1,998,932	1,630,654	+21.9
Detroit .....	1,522,554	1,275,353	+10.4
St. Louis .....	722,218	595,728	+21.2
Louisville .....	200,015	276,171	-5.0
Minneapolis .....	553,602	426,553	+39.8
Kansas City .....	775,701	699,553	+10.9
Omaha .....	315,835	250,350	+26.2
Denver .....	226,920	188,601	+20.3
Dallas .....	461,946	367,666	+27.4
Houston .....	403,025	324,187	+24.3
San Francisco .....	1,109,686	887,819	+29.0
Portland, Ore. ....	317,068	270,206	+17.3
Seattle .....	360,719	331,613	+8.8
Total 23 Cities.....	17,576,511	14,780,620	+18.8
New York .....	22,301,488	17,169,426	+29.9
Total 24 Cities.....	39,877,999	31,959,046	+24.8
Daily Average .....	1,733,826	1,452,684	+19.4



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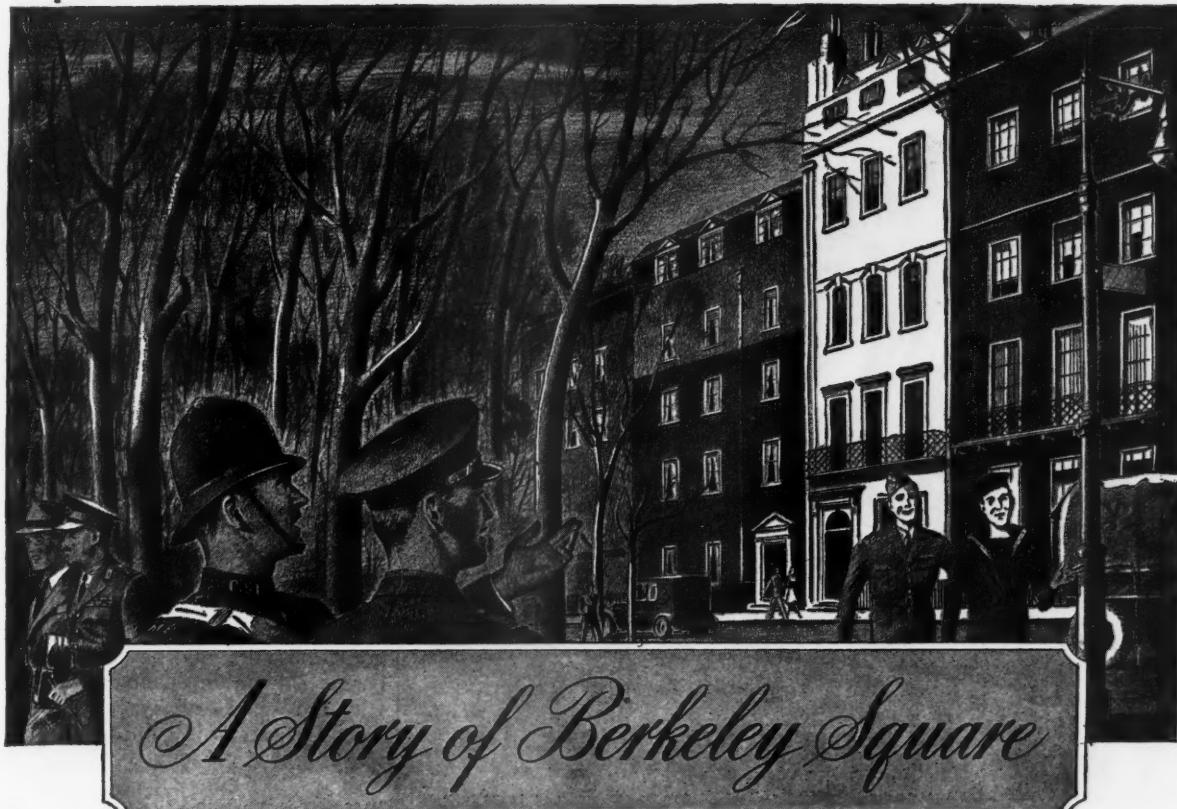
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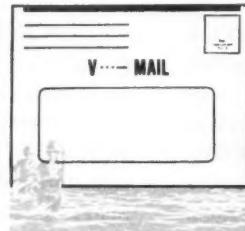
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ume, however, went over the million-share mark in two sessions. Most activity was in railroad stocks and bonds, while industrials lagged. In mid-March trading in the stock market was the heaviest since last November. All three daily averages—industrial, railroads, and utilities—hit new 1944 highs.

**Failures**—There was a slight increase in the number of business failures in February over January, but it was probably of no great significance; in general failures by any measurement continue at an all-time low. The number of small failures continued to drop, but medium-sized and large failures were somewhat more numerous than in recent months and potential losses were relatively high.

The situation in manufacturing and retailing was unchanged—the month's small increase occurring principally in service and construction lines. Geographically, the mild upturn was apparent only in the Chicago, Kansas City, and West Coast areas, and for the most part occurred in the large cities.

### THE FAILURE RECORD

	Feb. 1944	Jan. 1944	Feb. 1943	Per Cent Change
NUMBER OF FAILURES . . .	132	120	422	-69
NUMBER BY SIZE OF DEBT				
Under \$5,000 . . .	45	50	222	-80
\$5,000-\$25,000 . . .	66	53	166	-60
\$25,000-\$100,000 . . .	15	14	31	-52
\$100,000 and over . . .	6	3	3	+100
(Liabilities in thousands)				
CURRENT LIABILITIES . . .	\$3,108	\$1,708	\$4,163	-25
TOTAL LIABILITIES . . .	\$6,132	\$1,708	\$4,213	+45

### FAILURES BY DIVISIONS OF INDUSTRY

	Number— (Current liabilities in thousands of dollars)	Liabilities— Jan.-Feb. 1944 1943
MINING, MANUFACTURING . . .	63 146	2,925 3,591
Mining—Coal, Oil, Misc. . .	1 5	984 275
Food and Kindred Products . . .	5 33	69 664
Textile Products, Apparel . . .	4 25	41 331
Lumber, Lumber Products . . .	13 20	572 267
Paper, Printing, Publishing . . .	5 23	51 605
Chemicals, Allied Products . . .	2 6	33 78
Leather, Leather Products . . .	1 4	10 149
Stone, Clay, Glass Products . . .	2 5	85 49
Iron, Steel, and Products . . .	4 4	67 237
Machinery . . .	16 10	671 602
Transportation Equipment . . .	2 4	200 238
Miscellaneous . . .	8 17	142 238
WHOLESALE TRADE . . .	23 65	330 701
Food and Farm Products . . .	12 30	113 353
Apparel . . .	1 6	5 35
Lumber, Bldg. Mats., Hdwr. . .	4 6	154 39
Miscellaneous . . .	6 23	58 274
RETAIL TRADE . . .	99 522	695 3,582
Food and Liquor . . .	25 148	206 655
General Merchandise . . .	3 19	12 112
Apparel and Accessories . . .	12 56	59 435
Furniture, Furnishings . . .	3 22	22 233
Lumber, Bldg. Mats., Hdwr. . .	5 26	28 175
Automotive Group . . .	6 40	53 190
Eating, Drinking Places . . .	30 127	237 1,273
Drug Stores . . .	4 41	20 273
Miscellaneous . . .	11 43	58 336
CONSTRUCTION . . .	32 91	302 1,077
COMMERCIAL SERVICE . . .	35 56	474 727
Highway Transportation . . .	10 14	248 295
Misc. Public Services . . .	.. 2	.. 73
Hotels . . .	.. 1	.. 21
Laundries, Cleaning, Dyeing . . .	4 21	78 250
Undertakers . . .	3 4	17 32
Other Personal Services . . .	10 6	62 19
Business, Repair Services . . .	8 8	69 37



## The easiest thing in the world to waste is paper

Paper has become a critical material. Our government asks everyone to conserve it. Business always has been notoriously careless of paper—now, under wartime acceleration, paper work is heavier than ever and waste has grown proportionately.

There is a practical way for business to reduce consumption of paper, to eliminate waste, and at the same time benefit by simplifying many office operations so that time is saved, labor lightened, errors reduced, and office output speeded up.

This may be done—is being done—in many government departments, at military depots, and in many varied businesses by a revolutionary wartime development—the Multilith Systemat. The Systemat carries constant information printed in reproducing ink. Variable data necessary to complete the document is compiled and typed or handwritten in. The entire form then becomes a master sheet which, placed on a Multilith Duplicator, produces a dozen or hundreds of accurate,

permanent, black-on-white facsimiles—every one an original. The Systemat produces purchase orders, job sheets, shipping documents, tally and packing slips—almost every type of form that carries repetitive data.

Learn how Multilith Systemats can serve you by letting a Multigraph man explain how Systemats work. Millions of Multilith Systemats are being used by U. S. military forces. Of course, their requirements take precedence over civilian demands. Addressograph-Multigraph Corporation—Cleveland. Sales agencies with service and supply departments in principal cities of the world.

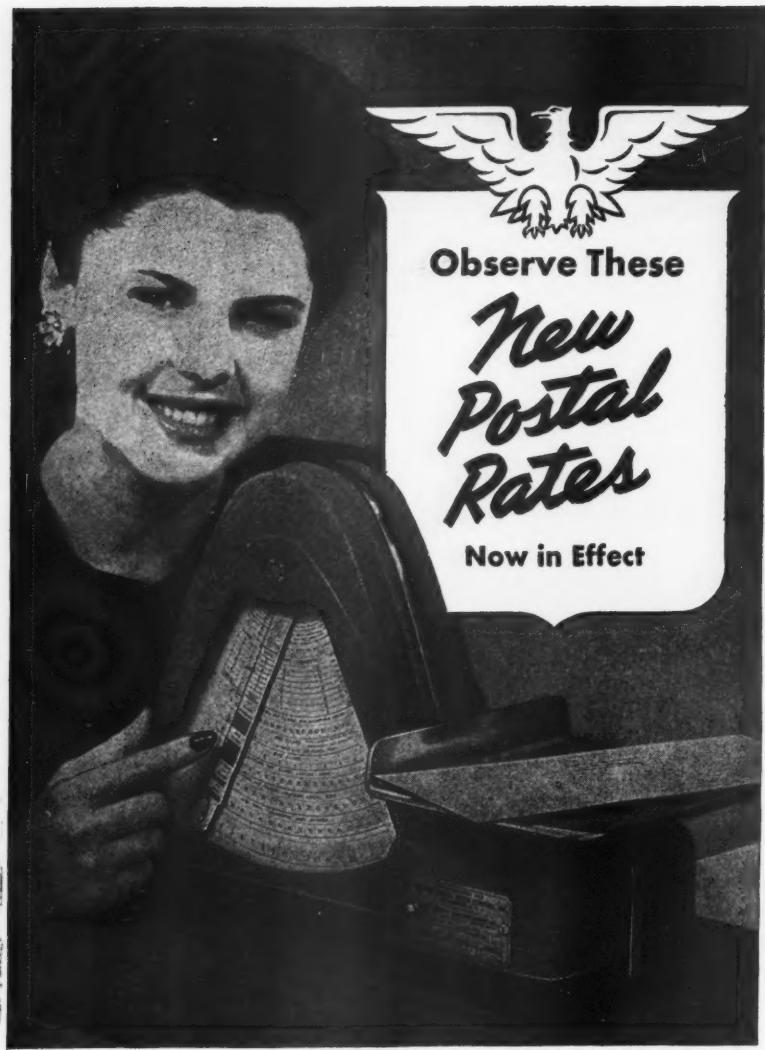
**Multigraph**  
TRADE-MARK REG. U.S. PAT. OFF.  
SIMPLIFIED BUSINESS METHODS

Multigraph, Multilith and Systemat are Reg. T. M. of  
Addressograph-Multigraph Corporation



### Multilith Systemats Save Paper by—

1. Reducing Stationery Inventories
2. Eliminating Obsolescence of Forms
3. Reducing Needs for Printed Forms
4. Permitting Consolidation of Several Forms into a Single Form
5. Avoiding Wasteful "Over-Runs"
6. Maintaining Legibility
7. Preventing "Copying" Errors
8. Utilizing Both Sides of Paper
9. Using Inexpensive Paper Stocks
10. Dispensing with Carbon Sheets



*Illustration shows COMMERCIAL CONTROLS Postal Scale*

**S**AVE time for overburdened post offices and avoid confusion by giving your mailroom personnel these new Postal Rates, effective March 26.

- **FIRST CLASS LOCAL MAIL**—Old rate of 2c per ounce increased to 3c.
- **AIR MAIL**—Old rate of 6c per ounce increased to 8c. (Rate to and from overseas members of the Armed Forces is unchanged.)
- **PARCEL POST AND OTHER FOURTH CLASS MAIL**—Old rates increased 3%, or 1c, whichever is greater.
- **MONEY ORDERS, C.O.D., REGISTERED and INSURED MAIL**—Fees increased.

**COMPLETE RATE CHART AVAILABLE**  
A detailed schedule of new rates, suitable for your mailroom wall, is available without charge—phone our nearest office or write us direct.

It is important that your mailroom gets this new information—also that your postal and parcel post scales have corrected charts—for the mailroom is “the heart of every office” upon which all departments depend.

Plan now for an up-to-date, post-war mailroom with modern, mail-handling equipment—a COMMERCIAL CONTROLS specialist will help you.

*Attend the Annual Conference of the National Office Management Association, June 5, 6 and 7, New York, N.Y.*



**COMMERCIAL CONTROLS**  
Division of NATIONAL POSTAL METER COMPANY, INC.

Rochester 2, N.Y.—Branches and Agencies in Principal Cities

## BASIC ELEMENT IN DEMOCRACY

(Continued from page 11)

fears. It is one freedom that a socialist super-state cannot provide but on the other hand, is one that government can destroy. The freedom to achieve is at the base of our independence. It is both a quality of the character of the American people and a state of mind that is vigorous and virile. Without that freedom, our democratic institutions cannot survive. If freedom to achieve for the individual should perish in the hands of state socialism, most of our other freedoms would disappear also.

But quickly let us ask ourselves freedom *for whom?* Is freedom opportunity and freedom to achieve only for men and women who, by the chance of birth, inheritance, shrewdness, or good fortune, are the elect of our social and economic order? Does freedom to achieve mean the unrestrained privilege of the strong and the powerful to profit at the expense of the weak and the impotent? Or does it mean an opportunity for the weak to become strong, for men to rise from any depths to any heights, if they have the capacity, the energy, and the determination to grow? The answer is obvious. Freedom to achieve is a basic universal right under the democratic concept that extends from the bottom to the top in the social and economic order. It beckons the youth at the lowest social stratum who has the courage, the initiative, and the ability to fight his way up. It is the right of the worker at the bench, on the farm, or in the office. It is never a special privilege solely for the fortunate few.

What are the barriers to such freedom? They are two-fold. On the one hand, the barrier may be that of selfishness and greed on the part of the powerful, whether of management or of money, individuals or organizations, holding advantage, or monopoly. The other barrier may be government domination and control through regimentation or socialization. In the past, there has been too much of the one and now we have too much of the other.

If we sincerely believe that the freedom of the individual to achieve is a basic freedom of our American democratic way of life, we must recognize that government has an obligation to protect that freedom for the individual against the greed of others, but in do-

# U. S. STEEL REPORTS

to its 340,498 employes, its 222,602 stockholders, and to the public



**U. S. Steel's employees** averaged 340,498 in 1943. They established in 1943 an all-time ingot production record. 100,000 men and women of U. S. Steel are in the armed forces. To replace these employes, and to meet manpower requirements, nearly 125,000 employes have been trained by U. S. Steel. Approximately 5,000 demobilized servicemen have been re-employed.

	<i>Dollars in Millions</i>	
<i>What we received</i>	<i>1943</i>	<i>1942</i>
for products and services sold . . . . .	\$ 1,977	\$ 1,863

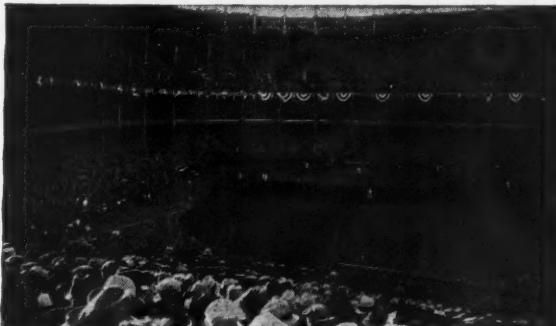
### *What we did with the money*

Wages, salaries, social security, and pensions . . . . .	\$ 913	\$ 783
Taxes—Federal, state and local . . . . .	130	201
Products and services bought from others . . . . .	707	649
Wear and usage of facilities . . . . .	134	128
Estimated additional costs caused by war . . . . .	24	25
Interest on indebtedness . . . . .	6	6
Dividends on cumulative preferred stock . . . . .	25	25
Dividends on common stock . . . . .	35	35
Carried forward for future needs . . . . .	3	11
<i>Total . . . \$ 1,977</i>	<i>\$ 1,863</i>	

### WHO GOT WHAT

	<i>Dollars in Millions</i>		<i>Change</i>
	<i>1943</i>	<i>1941</i>	<i>since 1941</i>
Received from customers . . . . .	\$ 1,977	\$ 1,622	+ 22%
Disposed of for:—			
EMPLOYES . . . . .	913	628	+ 45%
TAXES . . . . .	130	169	- 23%
PRODUCTS & SERVICES BOUGHT . . . . .	707	580	+ 22%
OTHER COSTS . . . . .	164	130	+ 27%
DIVIDENDS . . . . .	60	60	none
FUTURE NEEDS . . . . .	3	56	- 94%

Ingot Production (Net Tons) 1943 30,540,427 1941 28,963,018



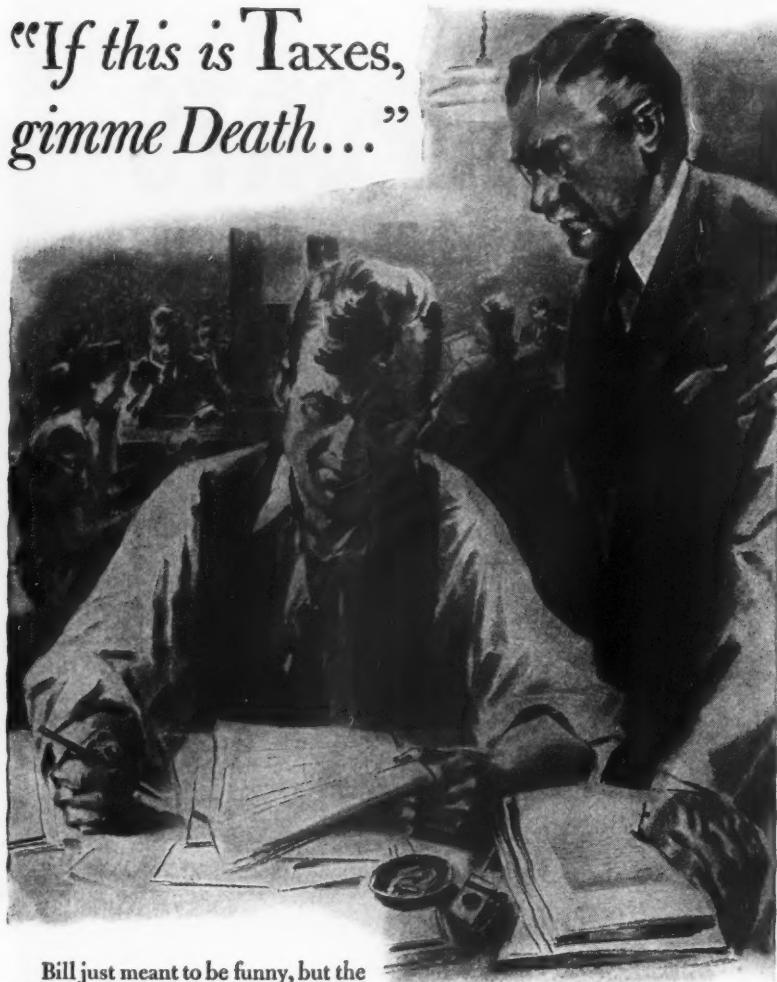
**U. S. Steel's 222,602 stockholders would fill three Yankee Stadiums.** For this army of owners, U. S. Steel earned in 1943 the smallest return on investment (3.97%) in any year of large production. Rising costs in 1943, pushing against price ceilings, resulted in lower net earnings and therefore in lower taxes. There were \$8 million less for future needs than in 1942 (\$63 million less than in 1941), despite a substantial increase in receipts in 1943.

### UNITED STATES STEEL

AMERICAN BRIDGE COMPANY • AMERICAN STEEL AND WIRE COMPANY and CYCLONE FENCE DIVISION • CARNEGIE-ILLINOIS STEEL CORPORATION • COLUMBIA STEEL COMPANY • FEDERAL SHIPBUILDING & DRY DOCK COMPANY • H. C. FRICK COKE COMPANY • GENEVA STEEL COMPANY • MICHIGAN LIMESTONE & CHEMICAL COMPANY • NATIONAL TUBE COMPANY • OIL WELL SUPPLY COMPANY • OLIVER IRON MINING COMPANY • PITTSBURGH LIMESTONE CORPORATION • TENNESSEE COAL, IRON AND RAILROAD COMPANY • TUBULAR ALLOY STEEL CORPORATION • UNITED STATES COAL AND COKE COMPANY • UNITED STATES STEEL EXPORT COMPANY • UNITED STATES STEEL PRODUCTS COMPANY • UNITED STATES STEEL SUPPLY COMPANY • UNIVERSAL ATLAS CEMENT COMPANY • VIRGINIA BRIDGE COMPANY



# "If this is Taxes, gimme Death..."



Bill just meant to be funny, but the Old Man didn't take it that way. After all the nightwork and pressure, Bill looked like a close candidate for a casket. And head accountants like Bill didn't bounce out of every business college. With taxes, group insurance, war bonds, hospitalization fees, and union dues making every paycheck a jigsaw puzzle, the payrolls were bad enough. But in paying off Mr. Whiskers every ninety days... filing Victory taxes and Social Security for thirteen weeks, with extra overtime, shift changes and worker turnover... and balancing gross payrolls for the period—Bill pretty near blew his top . . .

SO THE NEXT week a McBee man came around and went into a huddle with Bill. Later on, he came back with some suggestions that made Bill's eyes

pop. A little savvy, specially designed Keysort cards and Waxspot forms that eliminate copying . . . made the odd amount due to Uncle Sam on each paycheck a simple adding machine chore at the end of the quarter. Bill says he believes in Santy Claus again . . . Big Admission for an accountant!

McBee methods simplify, speed up and short-cut records and reports . . . are easy to understand, usable by ordinary office people and require no special skill, machinery or expensive installation. Custom fitted to your own business, McBee methods save time, work, worry, usually reduce clerical expense . . . are invaluable in these days of office personnel shortage. If you want faster business information, you want to see a McBee man.



**THE McBEE COMPANY**

SOLE MANUFACTURERS OF KEYSORT

295 Madison Avenue, New York 17, N. Y. . . Offices in principal cities

ing so, it must not itself take away the freedom of all.

Our task, as citizens in a democracy, is to help steer a course that will protect the rights of the individual to economic opportunity against any unfair practices of the private enterprise system, and, at the same time, ward off the dead hand of a socialistic super-state.

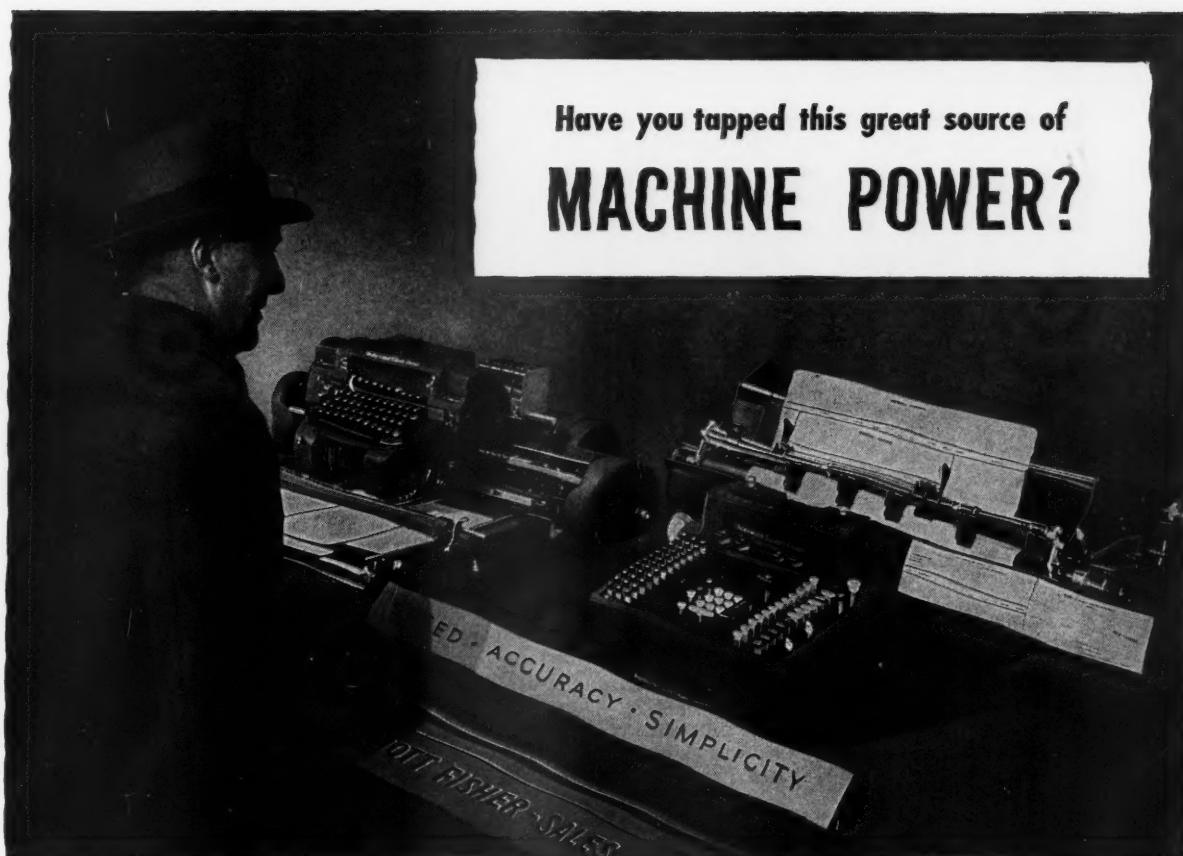
For many people, freedom to achieve means an opportunity to have a job. It is generally agreed that the one prime essential in the post-war period is jobs. A job does not mean raking leaves or selling apples. Nor does it mean employment at wages below the cost of living. It does not mean compulsory labor on government projects under a dictatorial challenge to work or starve. It does not mean the denial of opportunity to go into business for oneself with a reasonable chance to produce a fair income.

#### **Freedom to Achieve Defined**

What a job means in the American sense is an opportunity to fulfill oneself, to compete and to excel, to perfect a skill. It means the right to create and to produce. It means the right to acquire and to save and to invest the savings according to one's own judgment, even to the point of risking the loss of all. It means an opportunity to operate a business in fair competition, with protection against the forces of monopoly and power with the cruel disadvantages they impose. It means a minimum of government control and dictation and freedom from competition of government itself under the impossible conditions created by the use of the taxpayer's funds. It means freedom to achieve.

It should be perfectly clear that there is no possibility of a state-planned and administered economy which will give the American people the full right to enjoy the freedom of opportunity to achieve. For the government to assume all the risk means that it will, at the same time, remove all opportunity.

There is, and should be, a definite social responsibility of government to provide for the handicapped and the helpless and to protect the weak. Such objective is the highest expression of civilization which man has thus far achieved. At the same time, such social programs cost money and must be paid for. To live in a bankrupt state means to lose all of the benefits of social organization. This is the fundamental reason why "made" work is a fallacy and why State subsidies destroy rather than encourage. Wealth must be created in order to be used,



Have you tapped this great source of  
**MACHINE POWER?**

### **Machine Power Can Increase the Man Power and Woman Power in your Accounting Department**

Increasing man power and woman power—per hour—is simply a matter of saving seconds in performing every accounting operation.

There are machines in the lines of the Underwood Elliott Fisher Company which can save those precious seconds for you on every one of your accounting operations.

Speed, simplicity and accuracy, and at the lowest possible cost, are the basic advantages which you gain through the use of Underwood, Elliott Fisher, and Sundstrand Accounting Machines.

In meeting any problem, Underwood Elliott Fisher representatives are not confined to inflexible methods; nor

are they restricted to the adaptations of only one type of equipment.

With a variety of models and features in each line, Underwood Elliott Fisher provides a *flexible choice*—unique in the accounting machine field—each model in day-to-day service in many thousands of organizations throughout the world.

Your forms may be large or small; printed on paper or card stock; prepared in original only, or with copies that are alike or different in size or shape.

Your records may require writing only, without computing; computing, with or without typed descriptions; addi-

tion, subtraction and individual totals of amounts entered in any number of columns from one to thirty, with or without simultaneous cross-computation of one, two or more balances.

Whatever your individual requirements may be, Underwood Elliott Fisher has both the method and the equipment with which to speed your production and lower your accounting costs—the *best method and the right equipment*.

A call to your local Underwood Elliott Fisher office will bring you, without obligation, interesting information on how Underwood Elliott Fisher *machine power* can materially increase the production of your present *man power and woman power*.

\* \* \*

*Underwood Elliott Fisher Accounting Machines are available subject to War Production Board authorization.*



*Our factory at Bridgeport, Connecticut, proudly flies the Army-Navy "E," awarded for the production of precision instruments calling for skill and craftsmanship of the highest order . . .*

*Save the Seconds and You Save the Day—*

**Underwood Elliott Fisher Company**  
Accounting Machine Division • One Park Avenue, New York 16, N. Y.



## AS THE WAR SPIGOT SHUTS OFF

*you may be glad you  
looked into this*

# Quick Source of New Working Capital

AS reconversion...or renegotiation...creates new demands for cash, what will you do if your working capital is all tied up in inventory, work in process and accounts receivable? You should know now...and the most practical and profitable answer may lie in Commercial Credit's new and broader financing services.

In fact, it seems certain that "as the war spigot shuts off" more companies than ever before will use such readily adaptable services as ours...rather than less flexible forms of financing which might restrict management or prove burdensome later.

By releasing capital tied up in your accounts receivable, inventory and fixed assets, Commercial Credit provides thousands or millions for any purpose...quickly, economically and without interference with management. Under our receivables plan your customers are not notified...and a special feature permits you to limit your liability.

In short, these Commercial Credit services are entirely confidential...can be shaped to fit your specific needs...and involve only one fixed principle: Money advanced must earn enough to pay a profit to the borrower, as well as pay for its reasonable cost.

If your business can make good use of additional funds...for current operation, taxes or reconversion...let us give you full information. Write or wire today.

**TO BUY OTHER COMPANIES  
or buy out  
Partners**

"Capital Sources" is a 9-minute outline of new Commercial Credit services which, through the medium of your accounts receivable, inventory and fixed assets, provide financing:

- to purchase other companies
- to buy out partners, officers, other stockholders
- to retire bonds, mortgages, preferred stock, long-term loans
- to expand or adequately finance your business

For a copy of "Capital Sources," drop a line to Department 64.

and if used faster than it is created, bankruptcy eventually follows.

Let those who hold that the state must finance all kinds of social security, employment, and expansion remember that the government itself has no money. It can get money only through taxation and borrowing. Taxation has its limit and is now already approaching the point where certain forms of taxation discourage rather than release the energies of production. Government borrowing, which is a charge against future production, necessarily reaches large proportions in wartime. An indefinite continuation of a policy of deficit financing in peacetime can end only in some form of repudiation of the debt by inflation or otherwise. To further multiply the assumption by government of the financial responsibility for state benefits, subsidies, and uneconomic enterprise is to court the dictator and to invite bankruptcy.

The multiplication of power and control and its concentration, whether in government or in private enterprise, is the enemy of the freedom to achieve for the people of this nation. They have long revolted against the tyranny of monopoly and are now beginning to revolt against the shackles of the growing super-state.

### Freedoms Weighed

There is no doubt that a totalitarian state can produce, conserve, and employ wealth. Russia has proved this beyond question. The price is the subservience of the entire population to the end of the state. In Russia, a citizen must work. Furthermore, he must work when and where he is told, he must do what he is told and take what compensation he is given. He has a high degree of security but his opportunity for economic freedom is denied. It is significant that the principal change made in the Russian system has been to increase somewhat the freedom of workers to achieve.

I think it is highly probable that the people of this country could have a higher degree of freedom from want at the hands of an authoritarian government if they were willing to surrender other freedoms including the freedom for personal achievement. But, this would destroy democratic life as we have known it for 168 years.

The test of the freedom to achieve in this country will be determined by the opportunities for the development of small business. Some people may dramatize the spirit of America as represented by giant corporations and

# Commercial Credit Company

BALTIMORE-2, MARYLAND

Subsidiaries: New York Chicago San Francisco Los Angeles Portland, Ore.

Capital and Surplus More Than \$65,000,000



## "Let's See—Where Did We Put That Jones Shipment?"

Poor Witherspoon! Finding a needle in a haystack is easy, compared with *his* job!

With the proper records, he'd locate that part in jig time. For, in any plant—or business—records help management keep tab on every order, every item, in every stage of its progress.

That's why thousands of businesses, in these days of higher wages and scarce help, use Uarco records—tool orders, tracer forms, production and material requisitions, work orders, inspection reports—to keep the work moving in an orderly, routinized way.

Uarco has developed ways to make every business

operation faster, more efficient, more accurate, through the use of better records, whether you use handwritten (autographic register) records or continuous type-written forms.

It may be that you have a special record problem. Uarco representatives will gladly consult with you in order to devise new and better time-saving forms. Put Uarco's years of experience to work for you in achieving new and important economies.

UNITED AUTOGRAPHIC REGISTER COMPANY  
Chicago, Cleveland, Oakland • Offices in All Principal Cities

AUTOGRAPHIC REGISTERS

UARCO

BETTER BUSINESS RECORDS

FORMS FOR HANDWRITTEN RECORDS

FORMS FOR TYPEWRITTEN RECORDS

FORMS FOR BUSINESS MACHINE RECORDS



## Putting the FACTS where they belong

Too much is happening too fast for Management to risk being short of facts *at its fingertips*. What facts? Those that enable you to place and keep materials and parts inventories on an even keel—to direct job assignments for the best utilization of manpower—to avoid the pitfalls of Government contract termination—and be ready with a sales program geared to new marketing opportunities.

A big order? True . . . but well within the "Fact-Power" of Kardex *Visible Record Systems of Administrative Control*. With its exclusive Graph-A-Matic signal, the "seeing eye of business", Kardex is presenting current factual information in graphic form to leaders in every field of industry. Kardex reveals danger spots *before* trouble arises, pointing out the time and the place for administrative action. Kardex means the control that only facts-at-your-fingertips can provide. Operating economies are as high as 50%.

**FOR EXECUTIVES:** A remarkable new 74-page book featuring in color 136 case studies of "Fact-Power" at work . . . available on individual request from our nearest Branch Office. Ask for your copy of "Graph-A-Matic Management Control".

KARDEX—of course!

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SYSTEMS DIVISION

**REMINGTON RAND**

Buffalo 3, New York

GRAPH-A-MATIC  
brings facts to life

endless production lines; but if we are to discover the soul of America, we will find it among the millions of workers on farms, in offices, and in shops across this broad land, in the villages and the towns as well as in the cities, who are boldly and courageously carrying on their own small enterprises. Among them you will find that pioneering spirit that breathes the freedom to achieve. There you will find the true joys of personal accomplishment and the satisfaction of hewing out an independent way of life. There you will find the determination to preserve the freedom of enterprise for themselves, for their children, and for the nation.

### The Plight of Small Business

There is, and has been for several years, a creeping paralysis which is destroying the opportunities for the development of small business in this nation. The result has been a hue and cry for something to be done for little business. Unfortunately, most of the suggested remedies are worse than the malady. The answer is not in government loans or government capital. Such financing destroys the independence and vitality of little business. Government guaranteed loans deaden the sense of responsibility for achievement. What little business will need most in the post-war period is a chance to risk and a chance to profit—with protection against monopoly and the crushing power of bigness as well as freedom from too much government control, dictation, and uneconomic taxation.

The worker, whether in industry, in agriculture, or in commerce, whether organized or not, has no less interest in the preservation of the freedom to achieve than has money and capital. All have a common interest in enlarging that freedom and preserving it. It is a co-partnership that must stand or fall together. Their common enemy is an authoritarian super-state under which the freedom of all will perish.

We must either preserve freedom of achievement for the individual and small enterprise which so perfectly represents him or we shall take the route of the cartel, the monopoly, and the giant organization for production and distribution, or we shall accept the totalitarian principle and surrender ourselves to the autocratic state. The decision may not be net. There will be overlapping. But the trend will have to be established and we are not far from the time of choice.

The prime responsibility in this task

# Realism...now and after the war

## BUSINESS REPORT FOR 1943

In accordance with the Annual Statement as of December 31, 1943, filed with the New York State Insurance Department.

### OBLIGATIONS TO POLICYHOLDERS, BENEFICIARIES, AND OTHERS

<b>Policy Reserves Required by Law</b>	\$5,537,595,431.67
This amount, together with future premiums and interest, is required to assure payment of all future policy benefits.	
<b>Policyholders' Funds</b>	255,604,009.54
Policy proceeds and dividends left with the company at interest to be paid out in future years.	
<b>Reserved for Dividends to Policyholders</b>	105,674,814.00
Set aside for payment in 1944 to those policyholders eligible to receive them.	
<b>Other Policy Obligations</b>	52,027,949.91
Claims in process of settlement, estimated claims not yet reported, premiums paid in advance, etc.	
<b>Taxes Due or Accrued</b>	20,523,324.00
Includes estimated amount of taxes payable in 1944 on the business of 1943.	
<b>Reserve for Investments</b>	62,347,000.00
To provide against possible loss or fluctuation in their value.	
<b>Miscellaneous Liabilities</b>	23,495,304.45
<b>TOTAL OBLIGATIONS</b>	\$6,057,267,833.57

### ASSETS WHICH ASSURE FULFILLMENT OF OBLIGATIONS

<b>National Government Securities</b>	\$2,353,375,600.15
U. S. Government	\$2,181,141,867.14
Canadian Government	172,233,733.01
<b>Other Bonds</b>	2,028,916,055.62
U. S. State and Municipal	48,213,934.88
Canadian Provincial and Municipal	89,749,717.58
Railroad	547,354,089.75
Public Utilities	829,416,829.35
Industrial and Miscellaneous	514,181,484.06
<b>Stocks</b>	87,370,538.01
All but \$680,138.00 are Preferred or Guaranteed.	
<b>First Mortgage Loans on Real Estate</b>	924,476,078.57
Farms	87,981,134.22
Other Property	836,494,944.35
<b>Loans on Policies</b>	408,746,108.58
Made to policyholders on the security of their policies.	
<b>Real Estate Owned</b>	366,977,963.12
Includes \$59,821,102.96 real estate under contract of sale and \$143,580,643.66 Housing Projects and real estate for Company use.	
<b>Cash</b>	135,436,989.06
<b>Other Assets</b>	158,504,218.48
Premiums due and deferred, interest and rents due and accrued, etc.	
<b>TOTAL ASSETS TO MEET OBLIGATIONS</b>	\$6,463,803,551.59

Assets exceed Obligations by \$406,535,718.02. This Safety fund is divided into

**Special Surplus Funds** . . . . . \$ 14,525,000.00

**Unassigned Funds (Surplus)** . . . . . 392,010,718.02

These funds, representing about 7% of the obligations, serve as a cushion against possible unfavorable experience due to war or other conditions.

**NOTE:**—Assets carried at \$304,333,580.62 in the above statement are deposited with various public officials under requirements of law or regulatory authority. Canadian business embraced in this statement is reported on basis of par of exchange.

### HIGHLIGHTS OF 1943 OPERATIONS

<b>Life Insurance in Force, End of 1943</b>	\$29,180,396,994.00
<b>Paid-for Life Insurance Issued During 1943</b>	2,305,262,410.00
<b>Amount Paid to Policyholders During 1943</b>	554,873,243.55

**W**E HEAR a great deal these days about postwar planning. Some of it seems sound and practical, and some of it is "crystal gazing."

While literally hundreds of public and private agencies are thinking of postwar planning, there are a few things that realistic individuals are sure of.

They know that first and foremost the war has to be won and nothing should interfere with all-out efforts toward this end.

They know that economic tides ebb and flow; that the future, like the past, will experience good times and bad; that when bad times come, many people will face economic hardships.

They know that they, like everyone else, are growing older; that the life of any individual is uncertain; and that in accordance with the immutable laws of nature, heads of families will continue to pass on.

Knowing these things, some 30 million people insured by Metropolitan are providing definite measures of protection against these uncertainties of life through some 29 billion dollars of life insurance.

In addition to providing an anchor to windward for the individuals involved and for their families, the thrift of these policyholders is bound to be of a stabilizing character during the postwar period.

This is Postwar Realism of the highest order.

## Metropolitan Life Insurance Company

(A MUTUAL COMPANY)

*Frederick H. Ecker,  
CHAIRMAN OF THE BOARD*

*Leroy A. Lincoln,  
PRESIDENT*

1 MADISON AVENUE, NEW YORK 10, N. Y.



METROPOLITAN LIFE INSURANCE CO.  
I Madison Avenue, New York 10, N. Y.

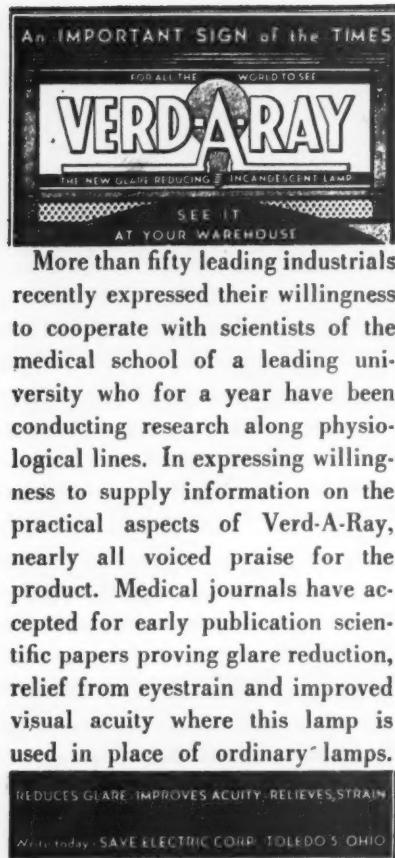
Gentlemen:

Please send me a copy of your annual report to policyholders: "Serving in the War—Building for the Peace."

Name \_\_\_\_\_

Street and Number \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_



**Answers All "Locker Problems"**

Space-saving—accommodates 12 in 5 ft. (or 24 back-to-back sections)  
Sanitary—keeps wraps dry and "in press."  
Available Now—Prompt deliveries from stock.

PETERSON Locker Units are replacing lockers everywhere because they save floor space, or double locker room capacity, keep wraps "in press" and exposed to light and air,—provide each employee with a spaced coat hanger, a hot shelf and a 12" x 12" x 12" lock box. Rigid all-wood and tempered pressed wood construction.

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is with the thinking leadership of this nation, the so-called middle classes. Unless they give true direction to the course of our national life, democratic government, as we know it, will die. Some people think it is already dying in this country. But when it does pass out, we may be sure that the middle class will die with it.

Leadership in America should be the most productive and the most fruitful of any nation in the world. There is greater opportunity here for leadership to spring from the masses of the people. They enjoy opportunities of education and advancement—social, political, and economic—as nowhere else in the world. We have the greatest reservoir of leadership to be found. We possess the most productive and stimulating social and economic order of any nation of any time.

Our natural resources and geography provide a base for the highest degree of social and economic well being. Our people are imbued with the consciousness of the power, the dignity, and the rights of the individual as are no other people. Every factor for success is present, save one. That factor is the threatening failure of honest, unselfish, virtuous leadership.

#### An Essential: Sound Leadership

*Without virtue, leadership in a democracy will itself destroy democracy.* Business leadership which springs from greed and selfishness will wreck the system of private enterprise. Educational leadership which shuts out the light of truth no matter what it reveals, and denies freedom of the mind, pulls down its own temple of enlightenment. Labor leadership which is imbued with the lust for power, and sacrifices the common good on the altar of class advantage, betrays the cause it professes to serve.

Political leadership which uses public office for personal advantage and profit at the expense of public welfare destroys confidence in government and in democratic institutions. Banking leadership, to the extent that it forgets its responsibility of service to the common welfare, hastens the end of private capital. Religious leadership which refrains from a vigorous interpretation of the social responsibility of man loses its grip on the hearts of men.

Does leadership in America today honestly seek a post-war life for this nation based on the freedom of democracy? Will men forget their prejudices, temper their greed for wealth and power, rise above their littleness

# SURVEYS

- 
- POST WAR MARKETING
- INDUSTRY STATISTICS
- REPRESENTATIVE COSTS
- PROFIT TRENDS
- 

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ALBRECHT, H. H., (B 1568), Children's dresses, ladies' underwear, stockings, beauty preparations.  
SIMON DAVIS, (B 2426), All types soft goods, hosiery, piece goods.  
DENT & GOODWIN, (B 1446), Customs, clearing and shipping agents.  
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W. J. HOPKINS & CO., PTY., LTD., 30 Adderley St., Haberdashery.  
J. W. JAGGER & CO., PTY., LTD., 54-62 St. George's St., General merchandise.  
LEWIS & CO., (B 2426), General agencies.  
MANUFACTURERS DIRECT SUPPLIES, 92 Loop St., Household hardware, crockery, glassware, cutlery, brushware, dinnerware.  
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L. RAPHAEL & SON, (B 447), Branches Johannesburg and Durban, Textiles, foodstuffs, industrial requirements.  
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SLADEN ASHMAN, (B 2159), Toilet sundries, novelties for chemists and departmental stores.  
SOLOMON J. & SON, (B 675), Hardware, soft goods, rough goods, machinery and groceries.  
SONVIL PTY., LTD., 43 Strand St., Ladies' and men's hosiery and underwear.  
WM. SPILHAUS & CO., LTD., (B 113), Machinery, household appliances, silverware.  
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ASHTON, PITT & CO., PTY., LTD., (B 1707), Electrical and general hardware.  
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FRANK & HIRSCH, (B 1803), (New York Office, BRAINCRAFT CO., 38 W. 32nd St.), Fancy goods, foodstuffs, glassware, haberdashery, hardware, kitchenware, textiles, toys.

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More war goods from fewer man-hours is one of America's most urgent needs today! Every hour saved here is another step toward victory.

One major fire—or a small fire that results in crippling damage by the extinguishing medium—can cut the flow of vital war goods to a trickle over night. Such fires may halt or slow down production on a dozen different types of essential fighting tools . . . waste precious man-hours and critical materials.

Cardox Fire Extinguishing Systems provide distinctive advantages in protecting production against these war-prolonging fires. They smother the fire and "cool out" combustibles through timed mass discharges of pounds or tons of CO<sub>2</sub> . . . with no damage by the extinguishing medium. Consequently, when fire strikes, men and machines are usually back in production quickly. Losses of vital materials are reduced to a minimum.

Industries guarding War-Winning Production with engineered Cardox Fire Extinguishing Systems include

leading manufacturers of *Airplanes, Airplane Parts, Armor Plate, Aviation Carburetors, Aviation Engines, Cold Strip Steel, Electric Power, Engine Parts, Forgings, Motor Fuel, Plastics, Processed Fabric, Rubber Products, Solvents, Tanks, Tank Engines*.

Today, the facilities of Cardox are concentrated on two activities: (1) Providing fire protection for War-Winning Production; (2) Applying the technological knowledge gained here to help industrial, municipal, state and national fire fighting organizations perfect plans to increase the efficiency of fire protection both today and after the war.

If more information would help—in solving your fire protection problems of today or tomorrow—write on your company letterhead for Bulletin 11103.

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and yield their selfishness in a courageous attempt to create the most satisfying basis for our national life? Are we willing to pay the price?

The time has now come when the common sense and spirit of fair play of the American people should separate the sound from the unsound, the right from the wrong, and the fair from the unfair in our social and economic structure, and plot a national program on the principles involved rather than upon personal interest and prejudice. It is time to think in terms of national welfare rather than of individual advantage.

### Today's Tasks

It is not only a time to think but to act. Individual business men should examine their operations, their policies, their methods and make constructive programs and plans for the future. Leadership in community life through Chambers of Commerce, and other community organizations should lose no time in making surveys of employment possibilities, of expansion programs, of civic needs, and of industrial opportunities. On a national basis, commercial banking, investment banking, and all of our credit machinery should be made ready for the enlarged task that lies ahead, of financing a progressive and expanded national economy.

Business and industrial leaders should make ready plans and programs that will provide useful and satisfying employment to all who are able and willing to work. Government officials and private citizens as well should tackle the gigantic task of simplifying governmental machinery, streamlining its operations, and making of government a servant of society and trimming away the extraneous growth whereby government becomes the master of us all. We should no longer delay a major operation on our uneconomic tax system, which paralyses and retards progress rather than stimulates it.

This is an heroic age in which we live. On the battlefronts our men are giving their all. Much of their sacrifice will be in vain unless we at home, with the same spirit of sacrifice, of courage and of determined effort, come to grips with the problems of national life. Our task is to shape the course of this nation to the end that for ourselves, and for our boys who come back, and for the generations yet unborn, America will continue to be the land of opportunity and the home of the freedoms we want.

# Wartime Report of the Pennsylvania Railroad

SUMMARY OF 97th ANNUAL REPORT which was mailed to stockholders at the end of February. Operating revenues increased \$141,298,532 over 1942. Operating expenses increased \$109,369,984. Taxes increased \$55,826,689, or 44.8% over the previous year. Net income was \$85,418,484, a decrease of \$16,050,309.

## THE YEAR 1943

The war continued to dominate the ever increasing transportation effort. While performance was highly satisfactory from the standpoint of meeting every demand of the war emergency, it could not of necessity be wholly adequate from the standpoint of the character of the service performed, particularly the passenger service. Nevertheless, considering the abnormal conditions that prevailed throughout the year, the results as a whole can be viewed as a creditable achievement.

## THE NATIONAL EMERGENCY

The ability of the railroads to handle this record volume of traffic was due to further improvements in facilities and operating methods; to splendid cooperation between the railroads, the shippers and employees, the Army and Navy, and other agencies of Government, and to the continued helpful attitude of the Office of Defense Transportation.

## TAXES

Sound public policy not only justifies but should require the accumulation by the railroads of large post-war reserves to meet post-war changes in transportation practices and methods, but the tax policy of the Government is heading

them along the same unfortunate path as at the close of the last war, when the railroads had to borrow large sums of money and go into debt to revamp their properties.

Today, while the railroads are doing the largest business in their history, it would be advantageous not only to them, but also to the public at large and to railroad employees as a whole, if the tax laws were amended so as to permit the creation now of the reserves needed for post-war rehabilitation, with resulting greater employment in the post-war period.

## THE EMPLOYEES

The Board takes pleasure in acknowledging the continued efficiency and loyalty of the employees, which made possible the handling of a volume of traffic exceeding that of any year in the history of the Company.

44,448 employees of the System have entered the Armed Forces, serving in every part of the world, of whom 123 have made the supreme sacrifice.

Many thousands of new employees have had to be trained to take their places, including 21,730 women who are now in the railroad service.

Never were the demands upon the employees so great; never have they met the burden more efficiently and more courageously.

M. W. CLEMENT, President

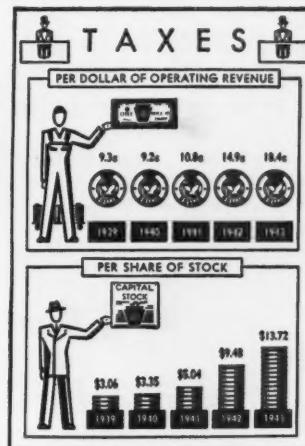
## OPERATING RESULTS

	1943	Comparison with 1942
Operating Revenues . . . . .	\$979,773,155	I \$141,298,532
Operating Expenses . . . . .	663,510,711	I 109,369,984
Net Revenue . . . . .	316,262,444	I 31,928,548
Taxes . . . . .	180,405,491	I 55,826,689
Railway Operating Income . . . . .	135,856,953	D 23,898,141
Hire of Equipment and Joint Facility Rents . . . . .	8,310,542	D 6,166,208
Net Railway Operating Income . . . . .	127,546,411	D 17,731,933
Non-Operating Income, chiefly dividends and interest on securities owned . . . . .	42,503,518	I 1,406,637
Gross Income . . . . .	170,049,929	D 16,325,296
Fixed Charges, chiefly rentals paid to leased roads, and interest on the Company's debt . . . . .	84,631,445	D 274,987
Net Income . . . . .	85,418,484	D 16,050,309
Appropriations to Sinking and Other Funds, etc. . . . .	1,924,119	D 794,112
Retirement of matured Debt—Penna. R. R. Co. . . . .	17,511,000	D 13,069,000
(Does not include \$28,425,431 of matured debt of leased lines retired)		
Dividend of 5% (\$2.50 per share) . . . . .	32,919,385	
Transferred to credit of Profit and Loss . . . . .	33,263,980	D 2,187,197

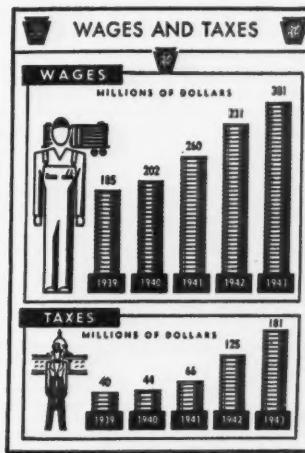
## THE PENNSYLVANIA RAILROAD

*Serving the Nation*

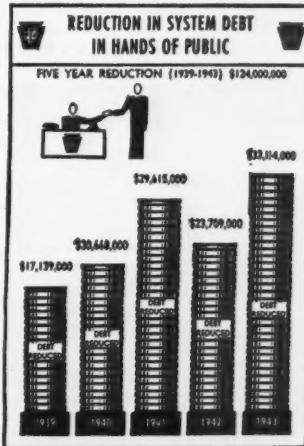
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Taken as a whole—taxes—the Company's chief burden, amounted to 18.4 cents out of each dollar of operating revenue, the equivalent of 27.4% upon the Capital Stock, or \$13.72 per share, an increase of \$4.24 per share over 1942.



Recent wage increases, together with vacations with pay, based on present force, are estimated to increase the expenses of the Company by approximately \$45,000,000 annually.



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## REHABILITATING A SICK WORLD

(Continued from page 14)

will there be depression?" Our immediate fears are for the period right after the guns stop firing, the period of industrial reorganization when we shall be converting from a war to a peace economy. Our plant capacity has been greatly expanded; we shall be confronted with the problem of "economic demobilization"; and the employment situation will be complicated further by the return of some eight to ten million persons in the armed forces. Will there be work for all?

Much of the answer depends, of course, on the manner in which we convert war production to production for peace. But no matter how wisely we do it, there is bound to be shock. Foreign relief and rehabilitation can provide one of the cushions for that shock, the more especially as the goods required abroad will be of the very sort toward whose production we shall be tending.

In industry, for instance, there is apt to be considerable let-down. The United States has built up stocks of various special materials greatly needed in the conduct of the war. If we permit these stocks to flood the market after the war, the effect may be serious for business. Relief provides a natural answer to the problem. The needs of the destitute peoples of Europe and Asia easily will absorb the surplus stocks and will, furthermore, stimulate the resumption of regular production.

But it is the period beyond that evokes our deepest concern. We surmise that for some time at least our forces of production will be kept busy. The long pent-up wants of the American and Central and South American people will seek fulfillment. Our factories will be running full time turning out automobiles, refrigerators, washing machines, bathroom equipment, electrical goods, and the thousand and one other items that have been denied us during the war. But what when the momentum of the demand has expended itself?

Then we shall look to Europe and Asia for customers. But will a Europe and Asia wallowing in misery be able to buy our goods? To be able to buy they must first of all be able to work and to produce articles for exchange. Thus the health and wel-

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fare of the peoples of Europe and Asia, and their capacity for production becomes a matter of direct interest for us. If we want the trade of Europe and Asia, we must make it possible for them to buy from us. There can be no possibility of lasting trade with people who cannot produce.

There is another thing. In the last quarter century we have paid a big price to learn some basic matters. One of them is that America cannot prosper alone. The earth has shrunk to very small space. Communication is a matter of minutes and seconds, where oceans are spanned in a few hours. International trade, furthermore, has succeeded in making a unit of the whole world. Even if we would, we cannot separate ourselves from the major ills of other countries. The depression showed us that. We thought we should escape it, that we could go on being prosperous while Europe was undergoing a crisis; we were merely deceived by a time lag.

### Toward World Prosperity

We could not escape sharing Europe's fate in the thirties, nor can we escape sharing it in the post-war era. If the areas our armies liberate should have to endure prolonged unemployment, inflation, and other consequences of economic disorganization—and without our help this is inevitable—our own economy will be profoundly shaken. We cannot escape it. We can no more shelter Americans from the consequences of unemployment, inflation, and disorder abroad than we can shelter ourselves from the devastating epidemics of disease that threaten to be born in the confusion of social and economic upheaval. It thus becomes a matter of double importance to us to help the people in liberated areas get back on their feet.

How far does UNRRA expect to go in the matter of rehabilitation?

UNRRA does not expect to reconstruct the devastated lands; this the peoples of those lands must do—and want to do—theirelves. UNRRA can only give them a start in the direction of rehabilitation, can do only those things without which recovery would be impossible. The objective is to help the liberated people to their feet so that they can help themselves and end the need for relief. UNRRA can provide seed and fertilizer and necessary farm implements so that crops may be grown locally. It can rehabilitate public utilities and services, so far as they can be repaired and restored to meet imme-

diate, basic needs, affording such essentials as light, water, power, transportation, and communications.

It can bring in necessary materials and machines and spare parts for essential relief industries, such as those which provide shelter, clothing, and medical supplies. It can supply expert personnel, such as technicians, engineers, and physicians. It can help re-establish the social services, such as hospitals, laboratories, dispensaries, mother and child clinics, and so on, that the ravages of disease may be checked and epidemics prevented. Human beings have amazing resilience. The fact that they have been able to survive at all under the inhuman conditions of occupation is proof of that. In an atmosphere of hope and with the prospect of lasting peace it will not be long before the hardworking peoples of Europe and Asia will have struggled up out of their night.

The continued progress of Allied troops in every theater of war leads to the expectation that the opportunity to help the people in the occupied countries is not far off. When liberation comes, that help, so urgently needed, must be quickly and efficiently given. The policies for UNRRA already are established. The next step will be to carry them into forceful action—to meet to the greatest extent possible, consistent with the active prosecution of the war to its victorious conclusion, the elemental wants of all the people who have suffered so much at the brutal hands of the enemy. Millions of freedom-loving people the world over look to the United Nations Relief and Rehabilitation Administration with fervent hope. UNRRA must not fail them.

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## EMOTION

WHY must political discussion be so emotional? Even when those discussing agree completely in their viewpoint, there is often an undercurrent which appears in the form of competition to see who can use the strongest language. And when there is disagreement, it seems inevitable that voices rise until it resembles a hog-calling contest.

Strong feeling has its place. Plato, Burke, and Lincoln all were men of conviction, but they never tried to convince by shouting or name-calling. Emotion may well appear after the problem has been thought through, but it is too often allowed to substitute for the thinking process itself. It has its place in bringing about the right result, but no place in determining what that right result actually is.

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